密勒氏評論報

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Formerly Millard's Review

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HARDING'S POLICIES AND THE CHINA SITUATION

THE death of Warren G. Harding has complicated the political situation in the United States and as a result thereof the entire world situation is dependent upon American action. In Europe the death of Harding will be felt in connection with the settlement of vital issues still hanging fire from the European War muddle, the problem of American participation in the International Court of Justice and in countless other matters. In China the death of Harding unquestionably complicates the settlement of the many problems involved in the carrying into actual accomplishments of the actions of the Washington Conference. It is true of course that Vice-President Coolidge has announced his intention of carrying out the policies of Harding, but the policies of Harding in the hands of Coolidge can never be the policies of Harding regardless of the capacity of Coolidge for carrying them out.

THAT the death of Harding in the middle of his first term has complicated the political situation in America goes without saying. Had Harding lived he undoubtedly would have been the candidate of his party to succeed himself. It is now an open field and we are quite likely to see a split in the ranks of the Republican party between the progressives and the stand-patters, the so-called "Litter-enders" who favor absolute American isolation in world affairs and those who desire to see America share the burden of complete participation in the settlement of world problems. Among the candidates whose names soon will be mentioned prominently as Republican presidential possibilities are Senator Johnson of California, Senator Borah of Idaho, Senator Lodge of Massachusetts, Senator Capper of Kansas, Secretaries Hughes and Hoover of the Cabinet, Gifford Pinchot, Governor of Pennsylvania, Governor-General Wood of the Philippines, President Coolidge and many others. President Coolidge is as yet an unknown quantity. His political reputation is largely based upon his summary action in quelling the police strike of Boston in 1919, a strike which for a time threw the city into the hands of a mob that savored of bolshevism. He was then governor of Massachusettes and his admirable action in the Boston strike gave him the national prominence which later brought him the nomination for the vice-presidency. Had Harding lived, he naturally would have worked toward the carrying out of his policies in both domestic and foreign affairs and to the unification and consolidation of his party's interests for the national election next year. Now that his party is without his steadying influence, the chief interest of the United States for the balance of the present presidential term will

be politics. It is scarcely possible that much attention will be paid to foreign affairs from now until the next national election. Anything smacking of a positive policy in any of the various fields of foreign endeavor will be approached with extreme caution, if attempted at all.

THE death of Harding was a very great disaster from the standpoint of the present situation in China. Although the Washington Conference was directed by Secretary of State Hughes as chairman of the American delegation, it was a Harding Conference. It was Harding who solved the knotty problems when often it looked as though the meeting would fail. When the Chinese and Japanese delegates were in deadlock over the Shangtung Question, it was the sympathetic interest and words of Harding that brought agreement and harmony. Harding was the sincere friend of China and although China has ever been the despair of her friends, there is no question but what Harding would have seen China through and in seeing China through there would also have been justice for all other interests involved. Outside of the Naval Limitation Treaty the Washington Conference was a China conference. Dr. Willoughby in the preface to his excellent report on the meeting says: "It is a remarkable fact that, with the exception of a part of one session which was devoted to the situation in Siberia, the entire work of the Conference at Washington, so far as it dealt with political questions in the Pacific and Far East, was concerned with the affairs of China." The fact that the Washington Conference was a China conference and that America assumed a distinct position of leadership in the consideration of the problems of this part of the world places a tremendous responsibility upon the present adminstration in seeing the thing through. The republican politicians who are already out in the field working for the return of their party to power for another four years are pointing to the Washington Conference as the great outstanding accomplishment of the adminstration. "Wilson failed at Paris and Harding succeeded at Washington," they are telling the voters. Whether the Washington Conference was a success depends not so much upon what was done at Washington, as upon what America is going to do in the present crisis in China. The whole Washington Conference as well as a great deal of the prestige which the present administration derived from the Conference stands or falls upon what the present administration does right now in the present China crisis.

THE death of President Harding has placed an added responsibility upon the American residents of China and upon American officialdom in China for it is largely in their power to say what the American policy out here shall be. It is through them that Washington and the American people generally must learn of conditions in China. It is a very great possibility that the United States Senate will have more and more to say in the foreign policies of the government now that Harding has passed from the scene. For this reason American interests in China should concentrate their attention upon the matter of keeping the members of Congress informed with definite recommendations for action. In view of the fact that the hands of the State Department are tied in respect to the holding of the special conference in Peking authorized by the Washington Conference, due to the non-ratification of the treaties by France, Congress should be urged to take some other action that will safeguard America's position out here and at the same time save China from a further descent into the anarchy toward which she has been so rapidly drifting. The present do-nothing, drifting policy on the part of the American government is not only making the situation in China worse, but is bringing discredit upon America and upon those Chinese friends of America who expected so much from American leadership. Among the many suggestions for American action in the present contingency, probably the best one is that Congress should be urged immediately to authorize the administration to send to China a special commission of investigation with power to recommend a definite plan of action on the part of the American government in respect to China.

PARLIAMENTARIANS, CIGARETTE TAXES AND OPIUM

GENERAL Lu Young-hsiang, Military Governor or *Tuchun* of Chekiang Province located just to the south of Shanghai and sole remaining member of the old Anfu party still in control of a province, a few months ago declared his independence of the Central government, and formed some kind of an alliance with Sun Yat Sen, generalissimo at Canton and with General Chang Tso-ling, Super-Tuchun of Manchuria. For this action we have no criticism whatever. It is Chinese internal politics with which we as foreigners have no concern. But as was mentioned in the *Review* a few weeks ago, General Lu needed more money when he departed from his long policy of hibernation, so he placed a special illegal tax on foreign cigarettes and other foreign merchandise, totally contrary to China's treaties with other nations. With this money he or his agents bribed the commanders of two or three gunboats belonging to the Chinese navy who forthwith declared their independence of Peking and since that time the boats have been stationed in the Whangpoo River opposite the Chinese government arsenal here which General Lu also controls. Then as General Lu and his associates' plans of opposition to the Central government developed, they decided to induce the Parliament in Peking to rebel against the Northern militarists and come to Shanghai, thereby preventing a quorum for the ratification of the constitution or the election of a new president. With this action we likewise have no concern, but there now enters another element with which all foreigners are concerned. It takes a lot of money to finance a parliament, there being some 300 in this vicinity at the present time, according to newspaper reports. The latest market quotation on parliamentarians is about $500 per capita per month but this rate fluctuates according as the bidding goes up and down at Tientsin. With General Tsao Kun in the northern field with his war chest, naturally General Lu must meet the bids, otherwise he will lose his legislators who travel up and down the railroad looking for the largest bids for their services. So now General Lu, or possibly it is merely some of his subordinates acting without his knowledge, goes into the opium business. We have before us as we write, a report to the effect that a new opium "ring" has been formed composed of Chinese politicians, military officials, and native police which is importing opium from Yunnan, Fukien, Szechuan, Kweichow and Kwangtung. The "ring" charges a fee of $2,000 for each 2,000 ounces brought in and of this sum certain officials of the nearby province of Chekiang, are reported to receive 80 percent which is devoted to the new "military" expenses and the balance or 20

percent to be retained by the smuggling gang. According to the report, smuggling under this plan has been in full swing for some time and is now netting the provincial officials about a million dollars a month—so we have the interesting combination of Parliamentarians, illegal cigarette taxes and opium smuggling with some gunboats thrown in for good—or rather bad measure.

Chinese Commercial Morality

BY HENRY CROSBY EMERY, LL.D.

(From *Harpers* Magazine for July)

The author of this article is an economist of international standing who formerly occupied the chair of political economy at Yale University. He served as Chairman of the United States Tariff Board from 1909 to 1913, and for some years past has represented the Guaranty Trust Company, the Asia Banking Corporation and other American financial interests in China, where he has an extensive and intimate acquaintance among Chinese bankers and business men.

IF there are any two things that I have always resolved never to do, one is to make any sweeping assertion about the character of a whole people; the other is to write on any general moral theme—since morals are matters of specific men under specific conditions. And yet here I am apparently breaking both resolves. I trust there is some better reason for doing so than that it is "by request" and for a consideration. However, I am going to make some limitations. I intend primarily to speak of North China, since I do not yet know South China. I am going to speak so far as possible of the sweeping characteristics of an established and traditional commercial class, not the trickeries of new and young invaders who have no code and recognize no tradition; and thirdly, whether it be the case of America or China, primarily of dealing among themselves rather than with each other!

It seems to be a very common tradition anywhere that it is always fair to cheat the foreigner. Among all nationalities merchants will do abroad what they would not dream of doing at home.

These limitations cannot be adhered to altogether, but it is under them that I shall attempt to consider the main theme.

There has always been a rather peculiar tradition in western countries as to a special commercial honor among Chinese merchants. When I was young there was a widespread opinion that the Chinese were so honest as compared with other Oriental nations that all Japanese had to employ a Chinese cashier to prevent defalcation. At the same time it was usually pointed out that in official life the Chinese were so corrupt that they had to employ foreigners, especially Englishmen, to manage their own Customs Service; and it was often supposed that the Chinese had themselves called in these foreigners in order that the government could be sure of receiving the revenues. This peculiar situation was sometimes explained by a theory pleasant to all people desiring to make broad distinctions regarding national character as being due to the following facts: China, it was said, having always held trade in honor, and not having had a chivalrous knighthood on the one hand and a despised commercial class on the other, it was natural that the code of honor should be highest among the mercantile class, whereas their governments had always been corrupt. On the other hand, it was said that Japan had been based on the feudalistic ideal, and that out of the feudal class had come the leading members of the government; that this feudal class, with its high code of honor, had always looked down on the merchant with scorn, and that therefore no sense of honor had developed in Japan's mercantile class. Such an explanation was, of course, delightful as an illustration regarding the later results of the past forces of history to one who is concerning himself with such questions. I can well remember getting it off blandly to my own classes many years ago when I was an instructor in economics. This idea is possibly still current among those who have not examined it more carefully. In fact, at a certain time there may have been a grain of truth in the illustration, though, of course, we know now that the whole story about the Japanese being forced for their own protection to employ the honest Chinese was entirely untrue. We know that there have been thoroughly honorable merchants in Japan and at times great corruption in high places. We also know that there have been some cases of highly honorable Chinese officials, and that there has been plenty of crooked work on the part of a certain class of Chinese merchants. So far as the latter goes, however, such cases of crooked work seem to be rather a new development, and more especially applied to foreigners. In fact, the situation has become such that I have heard prominent American business men in China referring to the old tradition of Chinese commercial honor, say, "Yes, the Chinaman's word is as good as his bond and neither of them is worth a hang!"

This suggests an important fact, namely that the old commercial morality of the Chinese was not based much upon "bonds" or upon any legal code. Most of the law-making of China in the old days, as distinguished from that of an Anglo-Saxon country, had to do with ceremonials or foreign affairs rather than with commerce. Jnst as the Chinese village did not maintain a system of good roads because the roads were not public, each strip being the property of the adjoining farm, and its maintenance, therefore, the private business of the farmer, so they looked upon commercial arrangements as more or less private affairs not calling for much legislation by the public authorities. Anglo-Saxon countries, on the other hand, in developing a commercial law or code have devoted perhaps the major portion of their activities to these questions. Whether the Chinese are honorable and straightforward in their business practices, the matter at least has little to do with public legislation. In fact, I heard one New York banker say that the Chinese business man had been perfectly honorable until he had come in contact with the Anglo-Saxon law of contract. Our modern American concerns in China now feel it necessary to have a typical New York lawyer draw up an elaborate contract according to the New York form, which has to be signed by the Chinese contracting party. Anyone, however, who has dealt beyond the treaty ports, knows that the Chinese view such an elaborate document, which they cannot understand, with grave suspicion, and that it is much better to trust to the word of the Chinese rather than to any written contract beyond perhaps an *aide memoire*.

Before there occurred a somewhat general degeneration of commercial morals everywhere, the Chinese merchant, although somewhat different in his methods, was the same in his principles as the old-fashioned merchant of London, Hamburg, or Bremen. Great undertakings or great purchases of goods were carried out by these merchants of the old days on the basis of trusting one another's honor and having all documents drawn in the simplest way, without any hint that anybody was trying to "do" the other contracting party. One might, indeed, wonder whether the famous work of Lord Mansfield has had such good results as have commonly been supposed. That he made an important revolution in English law is not to be denied, and all that he did was for the improvement of the situation as it then existed, since commercial disputes were being decided on old technicalities rather than upon the necessities of honorable trade. In fact, there was no true commercial law of a progressive nature before his day. Finding that merchants had for years been acting on their own code, Lord Mansfield decided that all disputes should be settled according to the existing custom of honorable merchants or honorable members of any craft. This was a splendid advance and worked finely in its immediate practice. But what happened? Having accepted the principle of the custom of the trade as the proper way to settle any dispute a great body of law was then built up based on the precedents of the days of Mansfield and his followers. And then what happened? This new body of dead precedents took the place of the living principle which Mansfield had applied until judges for decades decided all matters as between merchants or between capital and labor according to the custom of Lord Mansfield's time or the decision of one of his early successors. Now Chinese commercial honor is based on this same old idea except where foreigners force documents on him. When that happens his traditional honor is likely to go by the board. He has always done such and such things in a straightforward way, but a legal document, to his mind, is a technical agreement which must be carried out verbatim. Having accepted the document, he is likely to see no reason for considering the principle of the transaction, and unless he is a man of especially fine quality, recognizing both principle and tradition, his honor goes.

And yet in speaking of this question a writer who knows his China past and present as well as E. H. Parker says:

"As to mercantile honor, in spite of occasional lapses such as occur in all countries, it is so universally admitted that Chinese credit stands deservedly high that I need not say another word about it, except that unhappily it has quite recently somewhat degenerated, owing to the competition of crooked foreign traders eager for business."

Of course, we have all always properly recognized that there are honest and dishonest men in all countries, and the

Chinese regret and denounce some of the later evil practices. But the main fact is that the differences between American commercial honor and Chinese commercial honor are trifling as compared with the great differences between methods employed by different groups in New York. There were some differences in method as between the old-fashioned Chinese and the old-fashioned merchants of other countries. The Chinese had a traditional custom on which to work, and this was neither codified nor expressed in law, but it is perfectly well known. Also, a commercial transaction in China has always been much more a ceremonial function than is the case with modern commercial transactions in western nations. Still, there was a time when men acted leisurely and when there were no telephones, and a good deal of ceremonial attached to such transactions elsewhere. One only has to think of two English merchants of a hundred years or more ago entering into a joint enterprise. One can see them coming into the tavern, with their flaring top hats and their brass-buttoned tail coats, each treating the other with grave consideration, discussing various matters, drinking a glass of port over the transaction (not because they wanted the port but because it was the proper thing to do on closing a contract), and parting with every formality. Englishmen in China to-day frequently laugh or even sneer at the quantity of tea which has to be drunk before they can come to closing a bargain and all the ceremony forced upon them by the Chinese. But after all, they are carrying out unconsciously the tradition of the London of the old days. Of course, to the average business man this will all seem absurd. People say: "Thank God, we got rid of such nonsense long ago!" But also, thank God, there are still a few left who look back with sympathy on their ancestors of a hundred years ago who believed that commercial transactions were not the base things which they had been considered by the lords of the feudal system, but were consonant with a proper courtesy and ceremony.

It is true that, together with this ceremonial and the length of time it took to come to actual terms, these terms were finally clearly understood and usually without formal contract. Disputes later could be settled by arbitration. But usually there was no difference in understanding regarding the actual terms, and the transaction was carried out strictly without the signing of many documents. This was true of various classes. An old-fashioned Chinese landlord would make a contract, or perhaps it were better to say an agreement, to lease his house without any signed contract, since the mutual rights of landlord and tenant were well known by both parties. Perhaps in a sale of real estate matters it is necessary to have boundaries properly designated in some documentary form. At the present time real estate documents are, compared, with ours, relatively informal, and important rather as possible collateral on the part of the owner than in proving the exact nature of the purchase.

This is all very fine, but why should any fuss be made about it? If the word of the old-fashioned Chinese was as good as his bond, the same was true of the old-fashioned Englishman, the old-fashioned American, and the old-fashioned German.

I referred just above to the fact that differences between groups of New Yorkers were greater than the differences between the commercial honor of China and America in general.

For instance, if a New York bank were to lend a million dollars to any foreign government it would involve lengthy discussions between the bank and its foreign clients and also between their respective attorneys. Everything once in order, a document of many pages would be finally prepared by the lawyers for the signatures of the two parties. We sometimes think of that as representing the fact that business in America is never done quickly by mere verbal agreement. On the other hand, on the Stock Exchange many millions of dollars' worth of business is done daily not only verbally but by a mere gesture. A broker on one side of the crowd dealing in a certain stock will catch the eye of a broker on the other side, suddenly hold up his right hand, shoot it to the left, hold up three fingers, and the other broker nods. This means that one broker has sold to the other say a million dollars' worth of stock at a certain price. Each then hurries to make another transaction. They do not even wait to get together to see whether they have understood each other. Of course, at the end of the day confirmation slips have to be sent to the clearing house for clearing purposes. It may be said that the broker does not dare to welch because he would be expelled if he did. The fact remains that this enormous business, amounting in a good day to a hundred million dollars, is performed without any signing of documents. It is also true that an enormous amount of business is done by word of mouth over the telephone every day, although probably more formal documents quickly follow the agreement than is the case in China.

Two stories regarding two Americans in my own experience will illustrate what I mean regarding the diverse conduct of two native Americans, and I give them not only because they are interesting in themselves, but because they bear very directly upon my conclusion. In the bustle of business after the Armistice, when things were at their height and almost anything went, I was in charge of the Export Credit Division of one of the largest of the New York banks. A Swedish bank opened with us a credit of $300,000 to buy coal for shipment to Stockholm. This bank credit was issued in favor of a small Scandinavian commercial house which had not sufficient capital to handle any part of the transaction themselves. They, therefore transferred the credit to a coal operator and dealer, a native of West Virginia. He in turn did not have sufficient capital to secure the necessary reservations for shipment. The man consequently agreed that we should transfer a part of the credit to a firm of ship brokers and a certain ship was denominated. It appeared very hard to locate that ship, and we began to wonder whether it even existed. Things were getting so complicated that the Swedish purchaser came over to New York to see what was happening to his money. We assured him that every cent of it was in the bank and that he could be sure that it would not be paid out until the coal was shipped to him and documents sent to him to cover the shipment. In the meantime our West Virginia friend had found the ship or its substitute, but everything had been so much delayed that he would have to take a loss of $7,000 if he shipped the coal according to his contract. Consequently, the ship was turned over to carrying wheat to a Mediterranean port. Conferences were held and this fact was brought out.

The old Swede, with his long white beard, was a man of the utmost honor and dignity as well as probity. He suggested that the contract should be carried out in good faith. He was then told by the various American parties concerned that it was impossible at that late date (the lateness being due to their own negligence) to make shipment to Stockholm, and the best they could do was to deliver it to Gotenburg. The old gentleman said that he would under the circumstances accept delivery at Gotenburg, although it would mean a loss of $25,000 in railroad freight in getting the coal to Stockholm, where he had made contracts to deliver it. He was then told that they could not ship the coal without a loss. He smiled and said that he had been in business fifty years and had often taken losses in considerable amounts both in the coal and in the shipping business in order to keep his contracts. The conference closed then, but the next day the bank rather read the riot act to the West Virginian, forcing him to pay, and the incident was closed, but the parting shot of the American as he left was that he did not see any reason in the world why he should take a loss of $7,000 on account of any wretched foreigner!

A few days afterward a quiet gentleman came to my desk who was a resident of Virginia. He was a cotton merchant who had dealt with Bremen customers for many years. He quietly asked if bank credits issued before America's participation in the war were still valid. I asked him what the specific case was, and he said that a Bremen bank had issued a credit through my bank in his favor for a large quantity of cotton. This was in 1915, and the terms of the contract read that the cotton should be shipped as soon as free navigation with Bremen was open. Now that the time had come, he wished to keep the contract if the credit was still valid. I had the matter looked up and found that we had in our records a credit of that kind, but I explained to him that we could not honor it because we did not know the condition of the Bremen bank nor whether his purchasers wanted the cotton, and must wait until a new credit was opened before we could take any action. He thanked me, and said that that was all he had come to ask. After he left I followed after him and asked him: "Do you mind telling me at what price you sold your cotton?" knowing that at the price of cotton at that moment the carrying out of his contract would mean an enormous loss. He gave me the price, whereupon I said: "Man alive, don't you know that there has been a war between this country and Germany since that original credit, and that you can get out of it perfectly well? You must stand to lose nearly one hundred and seventy-five thousand dollars," to which he quietly replied, "That's about what I figure it." To my suggestion that he could escape that loss on account of the war, he replied that he was not interested in that, but that he had dealt for thirty years with this firm and that neither they nor he had ever gone back on a contract.

These two stories illustrate how much greater are the differences in business honor within a single country than between any two countries.

If one attempts to get any indication from foreigners who have long been in trade in China as to Chinese commercial honor it is difficult to get anywhere. The differences

of opinion among foreigners are amazing. A leading business man in Peking, a man himself of the highest sense of honor as well as highly educated, remarked to me one evening that he did not think there was a single honest man in China. On the other hand, another man of a somewhat lower grade told me that he had done business for twenty-five years in all parts of China, and that in not one instance had the Chinese merchant, whether a seller or buyer, failed to meet his obligation exactly according to the terms of the agreement.

It should not be forgotten that such differences in opinion are likely to result from the fact that one man has devoted most of his time to selling goods to the government of Peking or perhaps to the railroads, which are government institutions, and that the other has been trading with old-fashioned merchants. Those who have dealt with government officials have become familiar with the system of granting commissions which are popularly known as "squeezes." After the T'aiping Rebellion and the inauguration of the *likin* system possibilities for graft from public funds were greatly increased. Since the inauguration of the Republic and the breakdown of the established ratio of collection and distribution of taxation between the Central and Provincial authorities, there has been a further notable increase in official graft. During this period there has also been a growth of mushroom foreign enterprises in China, with the result that the reaction of this class of foreigners upon the newer class of officials who have come to their positions under the present system has brought about a state of affairs in which graft in governmental dealings between Chinese and Chinese, as well as between Chinese and foreigners, has become common.

On the other hand, those who have dealt only with the regular merchant type, inheritors both of tradition and a business, will give quite different testimony from that of those who have dealt only with a corrupt government. In that class of transactions where purely legitimate profits are made and the transaction is of mutual advantage to each of the two contracting parties, the old commercial honor still exists, Chinese merchants of that class are as scornful of and denounce as vigorously the methods of their own government as can be done by any foreigners.

Nor should the tricks of the foreigners themselves be forgotten. The Chinese merchant has been subject, especially in recent years, to all kinds of cheats on the part of foreigners, and unfortunately on the part of Americans as much as any. Goods have been delivered of entirely different quality from that specified in the contract. Houses that would not think of trying to palm off an inferior grade to a Christian countryman are quite willing to do so in the case of the benighted heathen. What should he know, anyway, about grades, and what right has he to the best grade even if it should have been specified in the contract? Contracts have been drawn in such a manner that there were all kinds of "niggers in the wood-pile." It was only when it came to settlement that the Chinese merchant found he had been cheated through an instrument which he never understood but was forced to sign.

This has been more or less justified in occidental minds by the feeling that the "heathen Chinee is peculiar." That phrase of Bret Harte's has probably been more widely quoted than any other statement about the Chinese, but the fact doubtless was that in the case of that game of euchre the cheating had been started by the Californians in the game, and that Ah Sin had gone them one better with his tricks. The Chinese are certainly quick to learn, and if they themselves are once cheated, then let the foreigner who cheated in the first place beware of any further dealings with the man who suffered in the first place. I once heard an old China merchant remark that to attempt to deal unfairly with a Chinese was commercial suicide, since the Chinese would certainly double-cross you in the end. This peculiar quickness of the Chinese to learn any commercial trick with has been developed outside and to beat the foreigner at his own game is combined with a slowness in initiating such practices.

Regarding punctuality in payment, it cannot be said that the Chinese shows up very well. In recent years the situation has been such as to make further trade almost impossible. Besides the complete bankruptcy of the government and constant changes in the Ministry of Finance, very many of the soundest Chinese merchants have been obliged to suspend through the collapse in exchange. Among many good qualities of the Chinese, even his most earnest defender must admit that the Chinese are by nature gamblers. It is almost impossible to bring him to cover his exchange at the time of his contract. Consequently, when during boom times he had placed large orders abroad, he then saw exchange go against him week by week in toboggan fashion before the time of payment became due. He had not covered his exchange, and therefore was called upon to pay double in his own currency. Consequently, he found himself in a situation where it was utterly impossible for him to meet his obligations at the proper time. This was not dishonesty on his part. He was taking an optimistic chance on a great factor in his transaction. No sound foreign merchant would do such a thing, but it has been a not uncommon method in China. In the last two or three years, however, the change in exchange was so swift and severe that even usual reserves for such emergencies were inadequate.

Apart from all this recent trouble, however, it must, I think, be admitted that the Chinese never had a very clear idea of a "due date" in commercial, though not in banking transactions, as understood in other countries. If a specific date was mentioned, he rather thought that he was bound at this date at least to begin payment and to continue payments as rapidly as possible afterward. The Chinese have always been rather given to the partial-payment system. To pay a part of one's obligation at a certain date has been thought to be a friendly and gentlemanly arrangement. Exception must be made for three great periods in the Chinese year. These three dates are Chinese New Year, Spring Festival, and Autumn Festival. These are the three great clearing-up times in China, and one "loses face" and credit within the trade if he has not squared up everything at each of these dates. In the old days he often contracted in the most informal way as to time of payment, but it was always clearly understood that, unless something was stated in the agreement to the contrary, full payment must be made by each of these three dates.

Again in the matter of any delay in payment, there is a due ceremony to be performed and a courtesy to be preserved somewhat like that of the old English methods, only more elaborate. There were certain preliminaries to be gone into. A cup of tea would be drunk between the two parties. The creditor would throw out a gentle hint that these were hard times and hope very much that his friend's situation was not serious or that he had not had an illness in his family. If his friend expressed any optimism over the situation he was told that, since he had delayed his payment, the creditor naturally assumed that there was some trouble in his business or family affairs. Such a way of approaching the subject might bring out full payment at once with an apology for forgetfulness; it might bring out a fifty percent payment with a promise for the balance the next week. Anyway, no antagonism was aroused between the two parties. Certain foreign firms, on the other hand, believe in the "treat 'em rough" method. The attitude of some of the newer banks and newer firms, dictated, to be sure, largely by their New York management rather than by their local managers, is to send out a curt note demanding immediate liquidation within a certain date, and if that is not forthcoming, to sell out the collateral, no matter how ruinous the price, provided the principal and interest are covered. They may get their money this time, but they may lose a good future customer. The attitude of the older mercantile houses and the older foreign banks, especially the British, is very different. They know their Chinese customers. They know their record in the past, they know how to get the truth as to their resources, and are willing to give the necessary accommodation in a manner following Chinese custom rather than the custom of New York. All of this may be vexatious, and yet large profits have been made by firms that have followed the custom and have recognized that business in China must pay some respect to the immemorial customs of the Chinese merchants.

A humorous anecdote is told by Mr. Nichols in his book *Through Hidden Shensi*. After a very hard ride he was lifted out of his saddle by a soldier, and his servant handed him his razor, saying that his beard had been growing for five days and should be taken off. Mr. Nichols retorted that his servant was as badly off as he, that his queue was a sight and that he should have it braided immediately. To this the servant replied: "The queue is Chinese; it can wait patiently, but the beard is European; it cannot wait; it must go quickly."

This applies as well perhaps to Chinese and American methods of doing business. It is not that the Chinese are dishonest, but they have their own methods. "Cash against documents!" one can hear the strident tone of the American manufacturer as he says it with a boastful voice showing that he is so successful he can refuse credit of any kind. But one would not hear in China either that policy or that tone of voice. They have their own ways and they do business on long credits. To many New Yorkers doing business on long credits seems actually immoral, but it is perfectly legitimate, and if the buying market demands it, it must be met. Chinese, indeed, have a certain scorn or suspicion of a concern so tied up that it must have its money back in ninety days. I have known a Peking manager of a branch of a New York bank frequently criticized by his head office at New York for making loans for a period of six months. There was no question but that the borrowers were people of the highest standing, also that the security was A-1 with ample margin, but it was not according to New York practice. He was told that it was "not good banking practice" to make loans beyond

ninety days. This may be a very good practice, but it is not a Chinese practice. Now the misfortune was that the loans criticized were to Chinese, and the Chinese practice in banking is for six months loans or even one year. The problem of the manager was this; he must either meet the terms or lose the business. If he did the business he would get a good profit but he would get criticism from the home office. If he didn't do the business he would hear later in the day that this same profitable business had gone to a rival bank. Presumably, the borrower was going to lend these funds on a six-months' basis, and consequently could not make a three-months' loan—that is, the custom of this particular city was six months and he was not interested in anything else. He would discuss and make concessions on rates of interest, form and amount of security, and be reasonable in all such matters, but the moment ninety days was suggested he lost interest in the transaction. But New York is not stable or even big enough to change a custom which has endured for centuries among hundreds of millions of people.

I certainly should not advise any American firm to go into China without ample capital, sufficient at least to allow for renewals up to between six months and twelve months. Too many American firms have come into China under capitalized and, therefore unable to deal with Chinese according to their own methods. But this is their business. I think it is true that China has almost no commercial crookedness, again omitting the upstart concerns referred to above. But it must also be admitted that China, along with her commercial honor, has her delays. This is known by the older English commercial houses and banks. They know their China and they prepare and act accordingly. We all know the motto regarding the fate of the man who tried to "hustle the East." Recently there has been a tendency on the part of big American concerns toward a change in policy, and this especially on the part of those who have large surpluses sufficient to make reasonable delays not seriously embarrassing. The practice, however, is not to be recommended to firms with insufficient reserves. In any case, Americans may as well make up their minds that even with all its prestige and power America cannot force a country like China to give up century-long practices at the mere command of even so powerful a friend as the United States.

It appears then that our conclusion is that there is a very high sense of honor among Chinese. So is there among the merchants of America, England, Germany and other countries. Again, the differences between individuals are infinitely greater than those between nations. There are many merchants of the highest degree of honor in China, but none who could surpass our cotton friend from Virginia mentioned above. There are especially among the newer and smaller class plenty of rotters, but none more rotten than our West Virginia coal friend. To all this must be added that, since China is an older country, her merchants developed a sense of honor long before western countries. At a time when European commerce was half trade and half piracy, China had developed this high commercial morality. It is probably the half-buccaneering traders first brought news of this strange and honorable custom to lands who as yet knew it not. To-day Chinese commercial honor and English or American commercial honor differ little except that China had developed it centuries before it was adopted in foreign lands.

U. S. Pharmacopeia Issued in Chinese Language

One of the largest and most important publishing undertakings involving translation of English into Chinese was completed this week by Carl Crow, Inc., when the United States Pharmacopeia was issued complete in the Chinese language. The book consists of more than 1,200 pages and has required two years of work by skilled translators. It is the first publication of the kind in the Chinese language and is said to be the largest and most complete scientific work of any kind ever published in that language. The book consists of a complete translation of the standard American Pharmacopeia with both English and Latin names of all American drug and chemical products translated into standard Chinese names. The book will be invaluable for Chinese physicians, pharmacists, dispensaries and hospitals and its general use will tend to make American standards in drugs, chemicals and medical preparations also the standards of China. Eight of the leading drug and chemical houses of the United States cooperated in the publication. The book was published by the Chun Hwa Book Company of Shanghai and sells for $5.

Is the Chinese Government under an International Obligation to Stop the Boycott Movement?

BY TZE ZAUNG CHANG

SINCE the Changsha incident of June 1, the boycott movement has assumed additional importance in that it has ceased to be a purely domestic problem and become one of international concern. Refusing to withdraw the gunboats from the port, the Japanese authorities are, as is reported, insistent upon the Chinese government's putting a stop to the boycott and will hold the latter responsible for the losses resulting. So, the question naturally arises, what is the duty of our government in this connection under international law and the treaties between the two powers?

It is a well recognized principle of international law that if an alien resident whose right has been violated can find sufficient remedy in the local court, diplomatic intervention on the part of his government is improper. (J. B. Moore: Digest of International Law, vol. 6, p. 656-693). The reason for this rule lies in the fact that by the laws of all modern states, an alien in the territorial jurisdiction of a state has the same standing as that state's own citizens, and therefore, a right to the same protection in its courts. Consequently, for an injury to his right, he will find no necessity for his own government to intervene. Now, let us ask, what is the consequence of boycott under the Chinese law? It is altogether clear that it is not a crime, inasmuch as the Provisional Criminal Code contains no provision forbidding such action. As to the civil liability of a boycotter, it may be admitted that a Chinese civil Code is not yet in existence. But in view of the fact that China has definitely adopted the continental legal system and that under the German Civil Code, boycott under circumstances may be a ground for damage in a civil suit, we might safely assume that the party injured has the same remedy in our own court. (See Standinger: Kommentar Zum Burgerlichen Gesetzbuch, 7 Anfl. Bd. 2, S. 1735-7 where the author, commenting on Article 826 of the German Civil Code about "damage caused in a manner contra bonos mores," said that boycott and similar actions are not in themselves contrary to good morals, but under circumstances may become so). If that is the case, then the present boycott movement comes well within the principle that where there is judicial remedy, diplomatic intervention is improper.

For the application of this principle to the case of boycott, precedents are not wanting. In 1897, the Japanese Minister at Washington complained to the Secretary of State, by note, of a boycott by the people of the city of Butte in the state of Montana against all the Japanese in the city by threats and violence with the intention of compelling them to leave the locality. The Secretary of State addressed the following note in reply:

"Referring to your complaint..... I have the honor to inform you that the Attorney-General, of whom I requested an opinion whether any act of Congress protects citizens of other countries in such employment and whether there is any remedy for the boycott complained of by you, advises me.....that there is no statute of the United States which makes the act you describe a criminal offence against the United States and that redress for the.....acts complained of, if there is any, of which he expresses no opinion, is by suit or action by the person or persons injured." (Foreign Relations of the U. S. A. 1897, p. 367-8).

Four years later, in 1901, a similar case was brought to the attention of the Secretary of State by a note from the Chinese Minister, Dr. Wu Ting-Fang. It appeared that a boycott had existed ever since 1897 against all the Chinese in the same city of Butte. In 1897, a bill of complaint was brought in the circuit court of the U. S. A. which after a full investigation, issued a decree enjoining the defendants from further continuing the acts. In the note, Dr. Wu stated that the conspirators were still pursuing the same object by clandestine means, that the damages suffered by the Chinese subjects amounted to $500,000, and that the city authorities had willfully allowed them to be inflicted. He asked the American government to take "such steps as will fully indemnify the Chinese subjects.....and such as will hereafter secure to them the full enjoyment of their rights as peaceful and law-abiding residents." The reply of Mr. John Hay, the then Secretary of State, contains the following significant passages:

"The damages suffered could have been averted by a prompt appeal to the court, and the facts that the complainants have suffered damages through their laches in making the appeal does not justify a departure from the ordinary rule that diplomatic intervention is improper in any case where ample judicial remedy exists. If the complainants had promptly availed themselves of their remedial rights, the injuries complained of could have been prevented. Their failure and neglect to do so does not make the United States culpable and responsible for the damages resulting."

"The statement that no remedy could be found against the unlawful action of the city or county authorities in aid of the conspirators, the Department is unable to accept as correct in point of law." (Foreign Relations of the U. S. A. 1901, p. 100-128).

The two cases considered together constitute a good illustration of the above-stated principle. In the first case, the reply of the secretary of State to the Japanese Minister that the act in question was not made a crime by the law of the U. S. A. is tantamount to saying that this being a private dispute between the nationals of the two states fit for the courts to settle is not a proper subject for diplomatic intervention. Therefore, the Chinese subjects in the second case acted accordingly, and the result was the granting of protection on the part of the American court by issuing an injunction to restrain the acts complained of. But when the Chinese subjects went beyond the judicial sphere and sought extraordinary remedies through the diplomatic channel, the American government, if it meant to be consistent in handling cases of a similar nature, was bound to follow the established principle and point out to them the ordinary way of getting redress. This principle, upon which the two cases were based, is directly applicable to the present situation of the Chinese boycott.

But is this principle not modified by treaties between China and Japan? The only treaty that bears upon this point is the Treaty of Commerce and Navigation of 1896, and the only relative articles therein are Article 4 which prescribes that "Japanese subjects may.....frequent, reside and carry on trade, industries and manufactures or pursue any other lawful avocation in all the ports, cities and towns of China, which are now or may hereafter be opened to foreign residence and trade," and Article 25 which provides for the most favored nation treatment. The treaty stipulations which China made with other powers are, so far as this point is concerned, practically the same. They simply opened to foreigners the door across which a bolt had been drawn centuries ago.

Now, the boycott is nothing but some friction in the relations between certain Chinese citizens and Japanese subjects. It has nothing to do with the Chinese government. The treaty provides that Japanese subjects "may" carry on trade in certain localities of China, and the Chinese government has never failed to allow them to do so. To say that whenever Chinese citizens are not willing to trade with Japanese subjects, the government has to interfere will be imposing a duty upon it which does not appear in the treaty, namely, the duty to compel its citizens to trade, or what amounts to the same thing, the duty to insure to the Japanese business prosperity. And an insistence that the government is bound to prohibit citizen A from interfering with the trade between citizen B and a Japanese will be substituting diplomacy for justice. If, however, the Japanese claim upon the Chinese government amounts to nothing more than a claim to protect Japanese subjects from danger to their life or property that may result from the boycott, then the Japanese government is asserting a right which under both international law and the treaties, it undoubtedly has, and which our government has, from the very beginning of the movement, endeavored successfully to respect.

If the treaty stipulations do not obligate the Chinese government to stop the boycott, one might still think that in view of its nation-wide character and the non-interference on the part of the authorities, the movement may properly be treated as an act of the government. But any such argument is refuted by the well recognized principle of international law that the act of an individual can never be the act of the government unless he is commissioned by the latter. (Moore: Digest, vol. 6, p. 787-791). It is true that sometimes a government might be responsible for the acts of its citizens. In the famous Lenz case, for instance, where the murderers who were Turkish subjects were convicted of murder without premeditation while premeditation was clearly shown in evidence and escaped in a body as a result of gross negligence on the part of the officials in charge, Turkey, upon the demand of the American government, paid a sum of money as indemnity. But a careful study of the statements made by international jurists and a review of cases will show that there must first be a duty on the part of the government to act and then only can its failure to act be a ground of complaint. (Hall: International Law, 6 edi. p. 53 and p. 215-6 with notes; Moore: Digest vol. 6, p. 791-800). In other words, the Chinese government must first be under a duty to stop the boycott before it can be held responsible for the acts of the boycotters It will be a mere perversion of logic to say that although the Chinese government is under no obligation to stop the movement, yet its failure to do so will be ground upon which it should be held responsible for the acts of its citizens.

It is thus clear that by both international law and the treaties with Japan, the Chinese government has no obligation to stop the boycott or to pay damages for resulting loss. But if the actions of its citizens should come within the scope of criminal law, then in accordance with the rule of protecting aliens, it would be bound to take necessary precautionary measures and to punish the offenders. Such will perhaps be the proper attitude for our government to take and a correct guide to the enthusiastic workers in this movement.

A Notable Famine Prevention Work

One of the most useful bits of famine prevention has taken place at Chinghai, off an island beyond Ningpo, where recently a ceremony was arranged by the Chin-Hai Sea Wall Association, on the completion of the reconstruction of the sea-wall.

The Shanghai Chinese-Foreign Famine Relief Committee was represented by Messrs: W. E. Souter, Wang I-ting, Yuen Li-tung Chang Yie-tsing, Chen Liang-yu and Zung Foo-ching who were the guests of Mr. Fu Siao-on, so well known in Shanghai, but who is better known in his native place of Chin Hai where he is father-bountiful and foremost in all good words and works.

Two years ago the sea-wall was broken by typhoons and the country inundated laying waste large tracts of fertile land and bringing misery and famine to thousands of homes; indeed, Ningpo itself was threatened by this break in the sea-wall. Mr. Fu has been most active in the Chin Hai Sea-Wall Association that has put through the reconstruction of the sea-wall at a cost of about $130,000.00, of which $86,000.00 was given by the Shanghai Chinese-Foreign Famine Relief Committee from the Customs Surtax funds especially allocated for the province of Chekiang and the rest of the money was raised by the people.

Headed by General Wong's troops and the bugle band, the procession went to the sea-wall where the Chin Hai Association officials received the guests and conducted the party along a portion of the reconstructed sea-wall; 16,000 feet of the stone dike has been repaired and 30,000 feet of the earth wall put into shape—and it is a good job too. No wonder Chin Hai was en fete for they have reason to be proud of this bit of permanent prevention work handled by an efficient local Committee of public spirited men.

After inspecting the sea-wall and being entertained at tiffin, a most interesting meeting and ceremony took place at the Confucian Temple. Mr. Shen Chu-hsu, manager of the Bank of Communications, Shanghai, was voted to the chair and expressed his gratitude to all who had made this work possible and especially to the Shanghai Chinese-Foreign Famine Relief Committee for their large interest in and contribution to the sea-wall.

Much more could be written on the celebrations of recent date for the occasion was of outstanding importance. When some thousands of people know that their homes and crops are made reasonably safe by this reconstructed sea-wall, small wonder that they rejoice at the successful carrying through of this work. Here is a record in stone of the co-operation of Chinese and foreigners and a valuable contribution to the work of famine prevention. The only fly in the ointment is the fact that there is a 40 li stretch of the sea-dike (quite a distance away from Chin Hai) badly needing repair, and, with commendable zeal, the Chin Hai people would like to rebuild this and so give the people some distance away the same security they themselves enjoy; indeed, this Association is now appealing for funds for this purpose and all contributions can be sent to the Chinese-Foreign Famine Relief Committee, 3 Hankow Road, marked "Chin Hai Sea Wall." One cannot praise too highly the co-operative efforts of the Chinese and foreigners in the Ningpo Chinese-Foreign Famine Relief Committee for the prevention of famine throughout Chekiang. In these efforts, F. W. Carey, Commissioner of Customs at Ningpo, is the recognized leader and on Sunday both officials and people paid most remarkable tributes to Mr. Carey's efforts for Ningpo and Ching Hai and the whole of Eastern Chekiang.

Leonard Wood and the Philippine Snarl

BY R. B. LIBBY

THREE years ago, Leonard Wood, then a United States Army major-general, was almost nominated as Republican candidate for the presidency, which he unquestionably would have won with the anti-Democrat feeling which prevailed in America in November 1920. The following year, he was popularly acclaimed in America and the Philippines when he accepted Harding's mission to investigate the status of Philippine conditions with regard to granting the Islands independence. Filipinos hailed him as "the liberator of Cuba" and Americans generally regarded him as a greater man than Harding, probably the greatest living American except Roosevelt.

Wood made his investigation of the Philippines which was so thorough that he was more cognizant of general conditions throughout the archipelago than any living man. The administration in Washington asked Wood to take the governor-generalship of the Islands. He did so with patriotic sacrifice, postponing the acceptance of the more remunerative and far less taxing position of provost of the University of Pennsylvania. After a year as governor-general, he realized the importance of completing the task of reorganization which he had begun, and he gave up the position being held open for him by the University of Pennsylvania, and settled down to work in the Philippines.

Another year is past, and last month prominent Filipino officials resigned their positions in the government as a protest against Wood and now demand that Wood be recalled by Washington. Papers in America comment on the situation, as follows:

New York World demands immediate and sympathetic attention from Washington for Filipinos' grievances saying that Wood must assume all blame because his policy "was founded on disbelief in Filipinos' fitness for self-government, also distrust of American doctrines by which Filipinos had been taught to look forwards to autonomy and ultimate independence."

New York World adds that Wood's actions discourage hopes of Filipinos for realization of aspirations by reversing policy of former Governor General Harrison.

World says his (Wood's) preliminary report was calculated to alarm Filipinos. That Wood as administrator is guilty of military authority and mannerisms that would not be tolerated in any American State Capitol.

New York Evening Post believes that Filipinos interpret Wood's tendency towards autocracy as an attempt to repudiate all American promises crystallized in Jones Act. *New York Evening Post* gives this editorial advice "If we want to avoid growing friction with Philippines, we should again make clear the conviction of the great mass of Americans, that Filipinos must be trained for independence at earliest possible moment."

New York Times columns surreptitiously denounce Filipino leaders as insincere, stating that a group of politicians headed by Quezon and Osmena merely desire to show off because they become heroes before Filipino eyes when they oppose American administration in Islands. *Times* concludes by saying that it has ever been a Filipino political custom to seek credit and strength especially before election time by anti-American outbreaks.

And closely following the Philippine crisis comes the death of President Harding, an event which, were Leonard Wood peacefully esconsed in the University of Pennsylvania, might well bring him to the front as a Republican possibility in the presidential elections next year, which are already peering over the political horizon in America. Today Wood is not the popular man in America he was three years ago, and most unjustly he is not, because the accomplishments and sacrifices he has made entitle him to even greater popularity than he has ever enjoyed.

Wood found the Philippines in bad shape after eight years of Democratic administration and almost as many years of world upheaval which registered its effects there as it did elsewhere in the world. The government was near bankruptcy. There was corruption and inefficiency in government administration. Justice was below par. Public health standards were lowered. Rinderpest, and other crop plagues were getting beyond control. The situation was serious.

In addition, the Filipinos instead of getting down to business for a bit, were raising an uproar for independence. American business interests, suffering from business depression, were clamoring that the Philippines be made a territory of the United States, or at least that they be assured that the stars and stripes float over the Philippines for a definite period of years.

And Filipinos and Americans looked to Wood to right the ship of state and grant their irreconcilable desires in a twinkling. Undaunted, the old soldier went to work. He trod on Filipino toes here and American toes there. Filipinos thought him autocratic. Americans thought him too soft. Constant political bickering obstructed progress towards rehabilitation, but after two years, the Philippines have emerged on a sound financial basis with every bureau of the government functioning with far greater efficiency than before.

And now the Filipinos demand Governor General Wood's recall. Americans in the Islands are chiefly supporting Wood as against the Filipinos and not because of himself, and papers in America, never mind whether partisan or not, print such opinions as those cited.

The resignation of leading Filipino officials came about as the result of the investigation of an American police officer in Manila. Charges were brought against the head of the anti-gambling squad, Conley, who had gotten himself in bad with prominent Filipinos by raiding their gambling dens. A Filipino judge acquitted him of all charges. The mayor of Manila failing to reinstate Conley after his acquittal, Wood gave direct orders for his reinstatement. Mayor Fernandez immediately resigned, as did the secretary of the interior and subsequently all the department heads, who formed the Governor's cabinet. Complaints against the personal conduct of Conley were under investigation at the time, and the result of the investigation was that Wood advised Conley's resignation, which was tendered, Conley receiving pay for the time he was suspended and accrued leave and other money due him.

Manuel Quezon jumped into the lead in the attack against Wood. It was claimed that Wood had acted in violation of the Jones Law, under which the Islands are governed. The Conley affair was claimed to be the culmination of a long series of Wood's autocratic acts, which rendered him unfit to continue as governor general. Washington was cabled, and the administration supported Wood in the legality of having reinstated Conley.

The row flavors of nothing but a political move to create a sensation to gain popularity for Quezon and his colleagues in coming elections. Mayor Fernandez evidently had it on his mind to resign, since he tried to do so last February and also because of his candidacy in the special senatorial election, now set for October 2, to fill the vacancy in the district comprising the provinces around Manila. Quezon and others who resigned were planning to go to America with the third independence mission this autumn. Quezon has always sought popularity by periodically blowing-up over something. From the mouth of Dean C. Worcester, the world's greatest authority on the Philippines, the writer had the story, that, at the time Quezon's clamor for independence seemed about to be granted through Champ Clark's policy, Quezon went privately to Mr. Worcester and asked him to stave it off. That typifies to a large extent, all of Quezon's propaganda. Not that Quezon is downright insincere. He is a fine and a clever man. He is trying to unite Filipino people by interesting them in a common cause, and he has succeeded in a large measure, but Quezon must not be taken to literally.

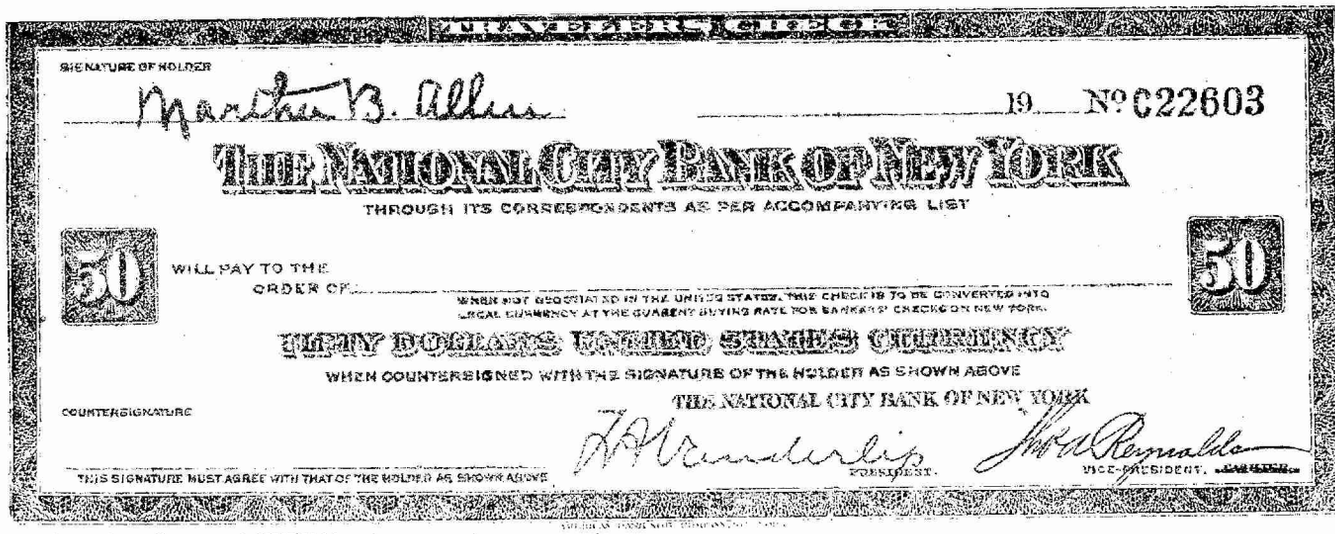
Quezon recently, on a trip through the southern Philippine islands, the Visayas, on a campaigning tour, was mobbed and forced to retire very ungracefully. The Conley case made a fine point for Quezon to go up in the air over, get publicity, and rally Filipinos to him as the defender of their rights; and he availed himself it.

But, he has done a great injustice to Governor General Wood. People in America don't care very much what goes on in the Philippines. When they read of the Filipino's demanding Wood's resignation because he is ruling with the iron hand of a military autocrat, a hazy impression drifts into the back of their minds that Wood can't run the Islands without getting into trouble, and that impression doesn't make for Wood's popularity, unjust though it is.

The Filipinos are solid for independence. There is no denying that. Their pride is hurt that a white race should judge them incapable of running a proper government. Anyone can sympathize with that very human sentiment. However, the Philippines present very peculiar internal and external problems which make successful independence uncertain,—not certainly unsuccessful but uncertain of success, and the United States policy of letting affairs ride, with promises of independence sometime, is unquestionably the safest policy that can be pursued. It is not a denial of the Filipino's capacity for self-government, despite some reasons America might well hold in that respect after the experiment in autonomy the Philippines were given by the Democrats.

Prior to President Harding's death, the Filipinos were not solid on sending an independence missions to Washington at this time. The Democrata party, besides supporting

Good Money but the Bandits Couldn't Cash It


SIGNATURE OF HOLDER
Martha B. Allen
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THE NATIONAL CITY BANK OF NEW YORK
THROUGH ITS CORRESPONDENTS AS PER ACCOMPANYING LIST
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WILL PAY TO THE ORDER OF
WHEN NOT NEGOTIATED IN THE UNITED STATES, THIS CHECK IS TO BE CONVERTED INTO LEGAL CURRENCY AT THE GUARANTY BUYING RATE FOR BANKERS' CHECKS ON NEW YORK
FIFTY DOLLARS UNITED STATES CURRENCY
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THIS SIGNATURE MUST AGREE WITH THAT OF THE HOLDER AS SHOWN ABOVE
PRESIDENT.
VICE-PRESIDENT.

A Traveller's check carried by Mrs. Allen

When the Shantung bandits wrecked the Tientsin-Pukow Railway "Blue Express" on May 6 last, they took a special interest in relieving the passengers of their money, jewelry and other valuables. Several of the tourists were carrying travelers checks issued by various American banks and among them was a bunch of National City Bank of New York travelers checks carried by Mrs Martha. B. Allen, wife of Major Robert A. Allen of Manila, both of whom with their little son were captured by the bandits. As soon as Mrs. Allen was released she stopped payment on the checks by notifying the International Banking Corporation in Peking and Tientsin. A few days ago one of the bandit chieftains approached Dr. C. H. Yerkes, an American missionary residing at the little Shantung town of Yihsien located in the center of the bandit area, and asked him if he knew anything about the value of American money. Dr. Yerkes told the bandit (or rather honored officer in the Chinese army now that the bandits have been pardoned) that he knew a little about American money and wished that the amount possessed by his mission was as great as his knowledge. The bandit then handed Dr. Yerkes a bunch of checks similar to the one reproduced above and asked him to explain why if American money was good, the bandits couldn't get anybody to accept this bunch of checks. Dr. Yerkes then explained to the bandit that the checks required the signature of Mrs. Allen on the bottom line, before they could be cashed. "No good, take them!" said the bandit in disgust as he handed the entire bunch to Dr. Yerkes, who counted them and found something more than G. $600 in the lot.

Wood against the resigned officials, thought that the money a mission would cost, could be much better expended in the Philippines in other ways.

Judge Juan Sumulong, vice-president of the Democrata party, opposing Quezon and the cabinet in their resignation, has been nominated to oppose ex-mayor Fernandez in his candidacy for senatorship. At first, the Democratas did not wish their candidate to run on that issue while Fernandez' candidacy is unquestionably a challenge for popular support in it. The Democratas wished to make the issue, as in the past, on party differences. However, now the Democratas are keen on putting the issue to vote and the election will indicate as nearly as an election in the Philippines can the attitude of the people in the resignations and stand against Wood. Both the election and the independence mission decision will be interesting to watch.

The death of President Harding puts an unexpected complex into the situation. Coolidge is an unknown quantity, but coming from New England and having acted with drastic firmness in the Boston police strike of 1919, which is the most that is known of him, the prospects are not very attractive for as favorable a reception from him to an independence mission or a demand for Wood's recall, as was to be expected from President Harding.

Furthermore, the American people will be in a less favorable frame of mind to absorb Philippine independence propaganda. Financial interests are uneasy in a crisis such as created by Harding's death. The politicians are upset in their plans for the presidential election of 1924. They will not be disposed to bother with the Philippines.

By going to America, the Filipinos might so annoy America as to create sympathy for Governor General Wood in what he has been up against for the past two years, and so bring him once again into favorable public notice and popularity. If Coolidge, in the next few months, does not measure up to the Republican party's idea of a winning candidate, Wood might be dug up and given the credit that is due him by the powerful propaganda of the party. But, with the other strong men in America, it is more probable that Wood will be further submerged rather than brought forth for his deserts.

Public opinion and politics in America are such uncertain factors, a Philippine independence mission might go to America today or tomorrow and get independence. Americans are never happier than when they are deluded by the idea they are acting altruistically. There are a lot of scuttlers, too, in America who figure America is sufficient unto itself besides likely to get into trouble by trying to govern lands abroad. What America will do, only time can reveal.

But whatever transpires, it is ungrateful to lose the picture of the faithful old soldier, Leonard Wood, patriotically digging in wherever duty calls to the best of his ability, which is great.

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THE NEW RUSSIA

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Chinese Girl Receives PH. D. From Columbia

Miss Ang L. Lee

Reported as one of the most popular Chinese girls who ever attended Columbia University, New York, Miss Ang L. Lee returns to her native home in China after finishing at the university in June with a Ph. D. degree. Miss Lee is the daughter of Way Yuen of Yunnan.

Miss Lee is planning to return to New York next fall when her engagement to a prominent Chinese business man in New York will probably be announced.

Peking American Chamber Plan for China Debt Consolidation

THE American Chamber of Commerce (Peking) has just published a pamphlet entitled "Chinese Government Finances," which is a study made by a committee of the chamber with a view to making a constructive suggestion to be considered with the Padoux' and other plans for the consolidation of China's unsecured debts at the proposed special conference provided for in the Nine Power Treaty Relating to Chinese Customs Tariffs, concluded at the Washington Conference.

The Padoux plan appeared in pamphlet form last January under the title, "The Financial Reconstruction of China and the Consolidation of China's Present Indebtedness." (This was republished in the Special Banking and Financial Issue of the *Review*, last June 30.) On March 21, the American Chamber of Commerce (Peking) passed a resolution objecting to the Padoux plan because it failed to take into account 108 million dollars Mex. of unsecured debts of the Ministry of Communications—40 million of which was due foreign firms, the remainder being domestic. (This resolution was published in the *Review* of March 31, and again in the Special Financial issue.)

Mr. Padoux replied to this objection of the Peking American Chamber in a letter to the *Review*, published April 21. Mr. Padoux' reply was based on the false assumption that the American Chamber desired the inclusion in a consolidation plan of the entire 540 million Mex. dollars domestic and foreign debts of the Ministry of Communications. In reality, the Chamber only desired the inclusion of the 108 million entirely unsecured, and this is clearly brought out in the plan the Chamber has just submitted.

This plan is drawn up on the figures used by Mr. Padoux of government debts (originally published from translations of Mr. Hollington K. Tong—see the *Reviews* of November 25, December 2,9,16 and 23, 1922), and also, on Mr. Padoux' estimates of annual customs returns. The tables of the Chamber plan follow those of the Padoux plan, for purposes of comparison and that the differences may be clearly distinguishable.

The Chamber takes Mr. Padoux' figure for unsecured indebtedness of 308 million Mex. and adds 45 million (including interest) for foreign unsecured Ministry of Communications indebtedness, 30 million for unsecured portion of the Hukuang Railway loan, plus various unsecured minor indebtednesses and interest on all the above up to January 1924, making a grand total of roughly 425 million.

As regards consolidating unsecured domestic debts, the Peking Chamber plan takes the Padoux figure of 260 million Mex., adds 70 million for domestic debts of the Ministry of Communications, and scales down 136 million, comprised of treasury notes issued for sundry and mostly unsound purposes, debts exorbitantly discounted at the time of their issue or for which usurious interest is charged, and finally taking up several loans, at present quoted at less than half of par, at 70 to 85 percent of their par value, whereas the Padoux' plan takes them up at 100 percent.

To the balance thus obtained, 194 million, the Chamber plan adds the 166 million of the Consolidated Debt Service loans, which have been considered as having preferential lien on the customs surplus next to the Reorganization Loan despite lack of the Diplomatic Corps' consent. This gives a total of 360 million to which 15 million is added for interest making the total for unsecured domestic debts 375 million.

The two loans for foreign and domestic debts will thus total 700 million, as against the Padoux plan loan of 625 million, the American Chamber plan, however, including the 108 million Ministry of Communications unsecured debts and the Consolidated Debt Service loans.

Under the American plan, 8 percent interest will be paid as against 7 percent under the Padoux plan. Payment on the principal will be deferred till 1932, and will then be amortized over the 12 year period 1932-43. Small deficits, on the basis of the customs estimates, will be encountered in 1924 and 1925, but will be taken care of by the surplus of 1923. Again in 1932, when payments on principal start, diminishing deficits from 25 million to one million in 1939 will be met by delaying the amortization of the Consolidated Debt Service Loans and by further scaling down some 27 percent of the total domestic debt, if funds are not forthcoming from other sources.

The Peking Chamber report suggests that foreign loans should be given preference over domestic loans, and likewise suggests that efficient handling of the railways would yield sufficient profits to pay off the unsecured debts on them, thus aiding the customs funds available, which would be more than sufficient to pay off the balance of the other consolidated unsecured debts.

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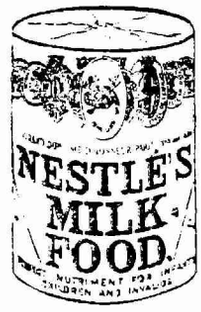

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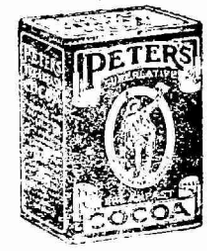

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Who's Who in China

Chang Hsun
張勳字少軒

General Chang was born at Fenghsin Hsien, Kiangsi Province, in 1857. He started his military career as a mere soldier and showed much bravery in many encounters with bandits. He was gradually promoted to be Commander of a Regiment and then Defence Commissioner.

Upon the outbreak of the Russo-Japanese War General Chang, being then one of the commanders of the Provincial Army of Fengtien, moved his troops to Chang Tu Fu for defence purposes. In February 1908 he was appointed the Commander-in-Chief of the Yunnan Provincial Army but he did not assume office. In September of the same year he was made Commander-in-Chief of the Kansu Provincial Army.

In 1911 General Chang was transferred to be Commander-in-Chief of the Kiangnan (south of Yangtze) forces, with headquarters at Nanking and permission to wear the Yellow Jacket, a great honor from the Imperial Family at that time.

General Chang was in command at Nanking when the first revolution broke out and that city was attacked by the revolutionary forces. He effected a masterly retreat to the northern bank of the Yangtze although he had no warships at his disposal. Thereafter he commandeered practically all the available rolling stock of the Tientsin-Pukow Railway, using it as a portable camp for his forces. He was made Viceroy of the Liangkiang Provinces as an inducement to retake them for the Imperial Family. He continued to occupy important points upon the railway for months after the abdication of the Manchus, although he was offered commands in Tibet and elsewhere.

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Upon the outbreak of the Second Revolution in July 1913, General Chang was appointed by President Yuan Shih-kai the Pacificator of Kiangsu and he recaptured Nanking from the hands of the revolutionists on September 1, 1913. Two days later he was appointed the Tutuh of Kiangsu and was subsequently made full General. In December of the same year was succeeded by Feng Kuo-chang and himself was promoted to be High Military Inspector of the Yangtze Provinces which position he held until July 1917. In June 1914 he was appointed Field Marshal.

In December 1915 General Chang was made Duke of the First Order by Yuan Shih-kai who was then at the zenith of his attempt to make himself emperor of China. In April 1916 General Chang was appointed to hold concurrently the position of the Director-General of the Military Affairs of Anhui Province. Two months later when the Tuchun system was initiated, to take the place of Director General, he was appointed Tuchun of Anhui with headquarters at Hsuchowfu, on the Tientsin-Pukow line.

In May 1917, when Marshal Tuan Chi-jui was relieved of the premiership and all the provincial militarists stood against President Li Yuan-hung, General Chang was summoned by President Li to Peking to help to solve the situation. He, representing the militarists, insisted upon the dissolution of Parliament which was actually carried out.

However, General Chang taking advantage of this opportunity proclaimed the restoration of the Manchu Dynasty and seated the boy-emperor on the throne again on July 1, 1917. President Li took refuge in the Legation Quarter and Marshal Tuan was secretly ordered by President's mandate to assume command of available troops to stand out against the monarchical forces. General Chang's troops in Peking were overwhelmed and on July 12th he took refuge in the Dutch Legation where he remained until he was pardoned by President Hsu Shih-chang in October 23rd, 1918.

Ever since that time, General Chang has been living quietly in Tientsin where he owns several palatial residences. He was however appointed Commissioner of Forestry and Agriculture for Jehol in 1921. It is said that he does not take much interest in that appointment.

Justice for China

C. F. Liu, a Chinese student at Columbia University contributed the following letter to the July 18 issue of the *New Republic*:

China is in a transient period and it cannot be denied that the political condition is chaotic. But such a period is a stage through which every great republic is bound to have to pass. America, France and Mexico have gone through it, and China is no exception. Unfortunately, most of the foreign merchants in China, backed by their governments, serve as obstacles to the progress of the country. Not long ago, they suggested to their respective governments that the railroads, finance and other important revenues of China be placed under international control. Their reasoning is that the Chinese people are hopeless, and the foreigners' lives and properties are in great danger! Or, to put it concretely, that the bandit is everywhere in China. Well, in Chicago, I was held up twice by high school boys, not to speak of professional bandits. It is fair to bind the Chinese people's hands and feet and then to say that the Chinese people can not go fast? The problem of China is complicated and it by no means can be solved by foreign interference. The more the foreign powers interfere, the more critical is the political condition; consequently the foreigners' lives and property in China are in greater danger than ever before. It must be the Chinese people who work out their own salvation. This being the case, for China, for the world and for humanity at large, I beg American as well as European friends to let China alone. We Chinese people do not ask for mercy or help; the sole thing we want is justice.

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Soong Tsung-faung
宋春舫

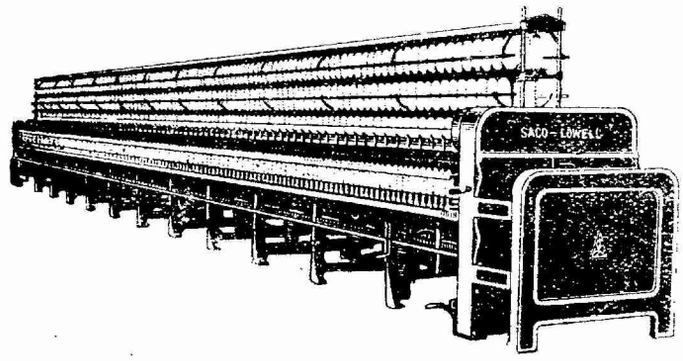
Mr. Soong Tsung-faung was born in 1891 at Wu Shing, Chekiang. When he was a mere youth of thirteen, he received the degree of "Shoutsai" or B. A. in the old Chinese Regime.

Mr. Soong studied English at St. John's University, Shanghai, for some years, and later went to Switzerland and entered the University of Geneva to study Social and Political Science. In 1915 he received the M. A. degree from that university.

After his return to China, Mr. Soong became lecturer of modern languages in St. John's University from 1916 to 1917. Then he went to Peking and accepted the position of professorship in French Language in Tsing Hua College which he held until 1918 when he left Tsing Hua to take up the Chair of French Literature in Peking Government University. In 1920 Mr. Soong took his second trip to Europe to investigate post-war social conditions and literary tendencies. While in Europe he also served as Secretary of the Chinese Delegation to the Peace Conference at Geneva.

After his return to China, Mr. Soong held several official positions, Secretary of Ministry of Finance, Co-Director of Loan Department, vice-chairman of the Tariff Investigation Commission, which latter position he is still holding.

Mr. Soong is the author of the following publications: "Parcourant le Monde en Flammes," "La Literature Chinois Contemporaine" and "Dramatic Essays." Mr. Soong is the editor of the undermentioned periodicals: "Tribune de Geneva," "Revue de Geneva" and "The Eastern Times, (Shanghai)." Mr. Soong is president of the Peking Esthetic Club.



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U. S. Rubber Imports in 1923 Make New High Record

Announcement of an organization of rubber manufacturers of the United States "to look after the problems of rubber manufacture and to especially prevent any artificial regulation of prices" lends interest to some figures compiled for the *Trade Record* of The National City Bank of New York showing the tremendous growth in rubber consumption in the United States in the last dozen years and the simultaneous fall in price.

Rubber importations, says the *Trade Record*, which amounted to only 72,000,000 pounds in 1911, will show a total of approximately 775,000,000 pounds in the fiscal year which ends with the current month or more than 10 times as much in the fiscal year 1923 as in 1911. On the other hand, prices at the present time are far below those of 1911, in which year the average import price was $1.06 per pound, in the fiscal year 1922 15c per pound, and in the 9 available months of the fiscal year 1923 averaged 17c per pound.

The quantity of rubber brought into the United States in the last dozen years is 4,254,000,000 pounds, and the value nearly $2,000,000,000. The imports of the fiscal year 1923 are larger in quantity than those of any other year in the history of the rubber trade, having been approximately 775,000,000 pounds against 568,000,000 in 1922, and 632,000,000 in the high record year 1920. This tremendous growth is largely due to the increased use of the automobile, which utilizes fully three-fourths of the rubber imported into the United States, and as this country imports fully three-fourths of the rubber produced in the world we may assume, says the *Trade Record*, that the American automobile utilizes over one-half of the rubber of the world. Exports of rubber manufactures have grown from $10,000,000 in 1910 to approximately $36,000,000 in 1923.

A very large proportion of this enormous and constantly increasing quantity of rubber which we import comes half way round the world to get to our factories, for the Malayan Peninsula and Dutch East Indian islands, which produce the bulk of the world's plantation rubber, are nearly opposite us on the other side of the globe. The large proportion of our rubber imports now coming from the plantations of the Orient is illustrated by the fact that of the 569,000,000 pounds imported in the 9 months ending with March, 401,000,000 came from the British East Indies, 82,000,000 from the Dutch East Indies, and 24,000,000 from Brazil, while of the 29,000,000 coming from England and 8,250,000 from Netherlands a large proportion is the product of their oriental colonies.

The table which follows shows the quantity, value and price per pound of the rubber imported into the United States in the last dozen years.

IMPORTS OF INDIA RUBBER INTO THE UNITED STATES

Fiscal Year	*Pounds*	*Dollars*	*Average Price per Pound*
1911	72,046,000	$76,245,000	$1.058
1912	110,210,000	93,013,000	.844
1913	113,384,000	90,170,000	.795
1914	131,995,000	71,220,000	.540
1915	172,068,000	83,030,000	.483
1916	267,775,000	155,045,000	.579
1917	333,374,000	189,329,000	.568
1918	389,599,000	202,800,000	.521
1919	402,472,000	157,928,000	.392
1920	632,392,000	274,156,000	.434
1921	356,975,000	114,639,000	.321
1922	568,381,000	86,751,000	.152
1923 *	775,000,000	145,000,000	.172†

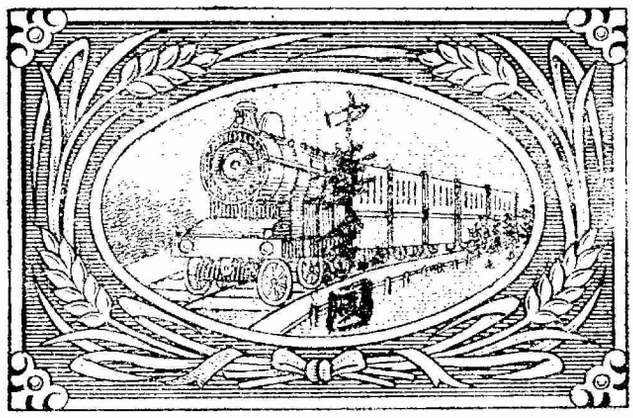
*Estimate based on 9 months official figures reported.

†Average price for 9 months for which official figures reported.

New Russia Restored to Chinese Mail Privileges

The *New Russia*, a political and economic weekly review published in Shanghai by H. Bourrier, has recently been restored to the full mailing privileges of the Chinese post office after being barred from the mails for a period of eight months. The magazine is not connected with any Bolshevik propaganda, but suddenly and with no official reason given the Chinese postal authorities refused to accept it for transportation through the mails. The magazine is chiefly devoted to economic and industrial matters in Siberia. Finally the French Minister in Peking became interested in the case and now the magazine is again permitted to circulate through the Chinese post office. There has been no change in the content or editorial policy of the publication, according to Mr. Bourrier, the editor and publisher.

The New Opium Stamp



The above is a reproduction of a new opium stamp recently issued by certain of the military authorities of Anhwei province. The officials require dealers in opium to affix these stamps to each package at the rate of ten cents an ounce. The above stamp is of the dollar series and was taken from a package purchased in Pengpu.

Men and Events

Commander G. D. Musso, local attorney, is expected to depart on Saturday, August 18, for Italy on a several months' visit.

Rensien Yin, engineer with the Great China Cotton Company, who has been in the United States for about three months, returned to Shanghai this week.

H. G. Murray, of Kinney and Murray, specialists in advertising in the Orient, with offices at 25 Church Street, New York, is in Shanghai this week on business.

Hugo Reiss of Andersen, Meyer and Company, returned to Shanghai after a brief trip to America on the *s. s. Empress of Australia*, Monday, August 13.

Volume One, Part Two, of the China Maritime Customs statistical series, Foreign Trade of China, 1922, has just been placed on sale at all leading bookstores at $3 Mex.

W. B. Wilson of the American Consulate-General Shanghai, returned after an eight months' leave in America on Wednesday, August 15, on the *s. s. President Pierce*.

A list of the publications of the Geological Survey of China has just been issued. Copies may be obtained from the Library of the Geological Survey, 3 Feng-Sheng Hutung, Peking.

J. H. Patten, in the Orient as an unofficial observer for the State Deparment, is expected to arrive in China shortly on a tour of North and South China. He is accompanied by Mrs. Patten and they have been touring in Japan.

The Community Church of Shanghai devoted its Sunday morning services to the late President Harding, at the Columbia Country Club. The Rev. C. L. Drury and the Rev. Frank Rawlinson respectively, gave brief addresses on "Harding the Christian."

Hon. Ernest R. Ackerman, representative in the U. S. Congress from the Fifth District of New Jersey, expected to spend a few hours in Shanghai on Friday, August 17. He is a passenger on the Admiral Line steamer *President Jackson* bound for the United States.

W. W. Bartlett of the Shanghai American School, is planning to depart for America shortly and will be located in New York for the coming year to conduct a financial campaign for the new American School in Shanghai. Mr. Bartlett plans to return to the Orient at the end of that period. The board of managers of the school together with committee men, who have been closely connected with the Institute gave a joint luncheon in honor of Mr. Bartlett on Wednesday, Aug. 15, at the Palace Hotel.

An exhibition of things Chinese dealing with the Chinese people and their products which is to be held in Newark, N. J., in October of this year is later to be exhibited in Pittsburgh, Utica, Cleveland, Milwaukee Trenton, Columbus and in Seattle, according to a recent bulletin published by the China Club of Seattle.

W. D. Hornaday, lecturer at the School of Journalism of the University of Texas at Austin, Texas, arrived in Shanghai this week for a tour of China. Mr. Hornaday is writing a series of articles on financial and business subjects for a syndicate of business and financial papers in the United States.

In view of the fact that two Chinese students in the United States were compelled to return to China by the U. S. authorities because of the students being afflicted with a disease called chlonarchyasis, the secretary of the China Club of Seattle has asked the Rockefeller Foundation at Peking for an official report on the new disease.

The office of the American Commercial Attache, Shanghai, is just in receipt of a pamphlet entitled Uniform Contract and Rules Governing Sales Made Ex-Dock, Ex Warehouse, F. O. B., Carrier, Port of Entry, by Foreign Commerce Association of the Pacific Coast." This pamphlet is filed in the Commercial Library and is available to whoever may wish to consult it.

Dr. H. H. Gowen, Dean of the Department of Oriental Languages and History at the University of Washington, who has been in the Orient lecturing before leading educational institutions of China and Japan, expected to return to Seattle in August. Dr. Gowen upon his arrival in Seattle will give several addresses on his impression of conditions in China at the present time.

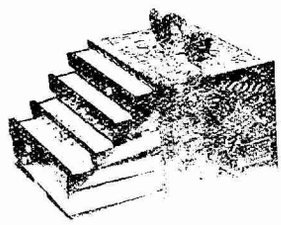
Dr. C. D. Tenney, for several years Chinese and First Secretary and Charge d'Affaires of the American Legation, Peking, who has been living in Palo Alto, California, since his retirement from American Diplomatic Service, is expecting to return to China accompanied by Mrs. Tenney, on the *s. s. President Lincoln*, September 4. Dr. Tenney is the father of R. P. Tenney of the U. S. Consulate-General at Tsinanfu.

John J. Russel, representative of the U. S. Playing Card Company, of Cincinatti, Ohio, arrived in Shanghai this week on a business trip. The U. S. Playing Card Company is planning to issue and market on an extensive scale a new set of Mahjongg, using cards instead of bone and bamboo tiles. The set will sell from G. 0.50 to $1.00 and they are planning to market them in China as well as all parts of the world.

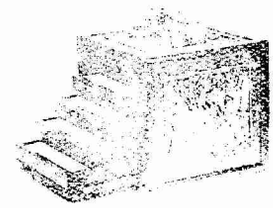
The relatives and friends attended the wedding of Miss Frederica Rutherford Mead, daughter of Mrs. Frederick Goodhue Mead, to Doctor Walter Garfield Hiltner of Shanghai, which took place Wednesday, August 8th, at five o'clock at the bride's home, "Sunnyside", Plainfield, New Jersey. Miss Margaret Platt Mead, the maid of honor, was the bride's only attendant. Frederick R. Sites, formerly of Shanghai, acted as best man. Dr. and Mrs. Hiltner will sail immediately for Shanghai.

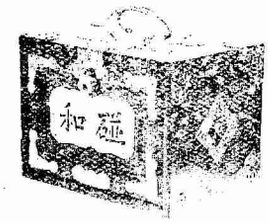
A recent note from the *North China Daily News'* correspondent in Tokio states that the tinned crab meat on the *Henderson* some of which President Harding partook of, with subsequent complications, came from Japan. It is stated that practically all of the canned crab meat on the market in America is either Japanese or the crabs are caught in waters north of these islands and the meat canned in Japan. The Japanese crab meat of good quality is said to be a healthy and nourishing food, but the supply on board the *Henderson* is said to have been of an inferior brand. The illness of America's chief executive dealt a hard blow to the crab trade, and his death has simply knocked the bottom out of the business. Shares in these concerns fell with the rapidity attending of a panic.

The Hupeh Educational Delegation of China recently visited Seattle on its way to the World Conference on Education which was held in Oakland, California, from June 28 to July 3. The delegation is composed of P. W. Kuo, Ph. D., president of Southeastern University, Nanking and Shanghai, director and chairman of the Foreign Relations Committee of the Chinese National Association for the Advancement of Education; Tsoern Ling, Secretary of the Ministry of Education; P. Hsieh, Senior Secretary of the Ministry Education; S. S. Chen, president of Chungha University, Wuchang; H. C. Kao, Bureau of Education, Hupeh; Monroe Tang, Miss K. J. Ku, Southestern University, and K. Y. Chen of Canton. Many social functions were given in their honor during their sojourn in Seattle.

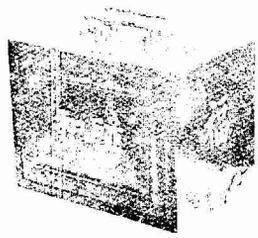


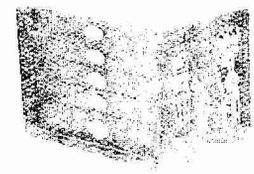
Pung Wo Sets

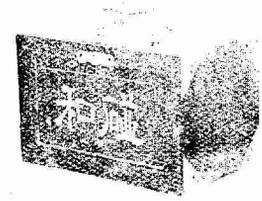


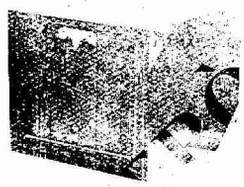


from the simplest to the most elaborate styles are manufactured by the Mei Ren Co., Inc., the largest company in the world devoted solely to the production of sets with which to play the mysterious, fascinating Chinese game which is taking the Western world by storm. Sets are put out in exquisitely carved cabinets of mahogany, teak, Chinese red wood, and cherry wood.









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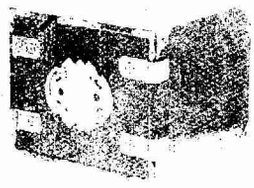

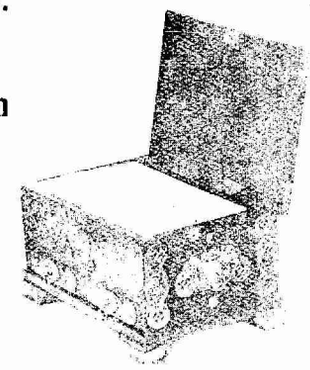

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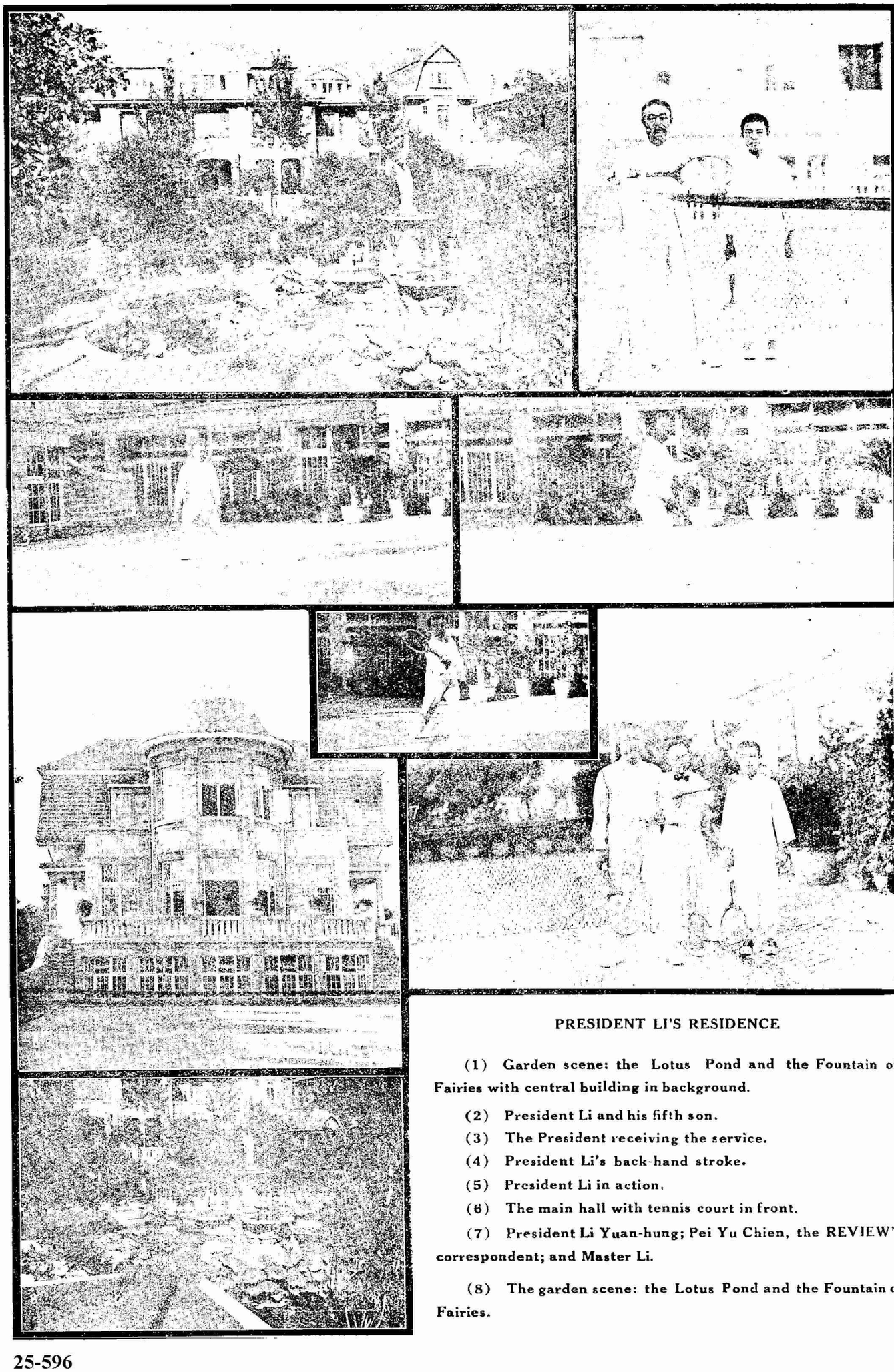


PRESIDENT LI'S RESIDENCE

(1) Garden scene: the Lotus Pond and the Fountain of Fairies with central building in background.

(2) President Li and his fifth son.

(3) The President receiving the service.

(4) President Li's back-hand stroke.

(5) President Li in action.

(6) The main hall with tennis court in front.

(7) President Li Yuan-hung; Pei Yu Chien, the REVIEW'S correspondent; and Master Li.

(8) The garden scene: the Lotus Pond and the Fountain of Fairies.

Li Yuan-hung Talks Politics, Plays Tennis and Worries Not a Bit

BY PEI-YU CHIEN

NEARBY a small creek that forms the southeastern boundary of the British Concession in Tientsin and overlooking a group of beautiful residences of former Chinese officials is the imposing mansion of Li Yuan-hung, ex-President or President of China whichever way the reader chooses to take him. The Li residence possesses a special dignity for it ranks first because of its stately features and beautiful garden in which thousands of trees and flowers are growing. There is also a pond in which goldfish swim about among the lotus flowers as a fountain sprinkles cool sparkling water upon the large green leaves. There are four or five buildings about the garden, the newest of which is a big hall lying at the back and facing the east entrance. This hall contains an auditorium that can seat about five hundred persons. It has a dancing floor on the second story. In front of the hall is a tennis court where the former President plays tennis with his children every afternoon.

It was formerly thought strange that Li Yuan-hung, "the good man," who has earned for himself the name of "Buddha" on account of his good nature and charitable character, should have built his residence in a foreign settlement and among a number of other houses that are occupied by former politicians who have plenty of ill-gotten pennies to squander. His recent exodus from Peking, however, has given this residence a special interest, for here as President Li says, he is receiving more courtesy and respect from foreigners than he received from the soldiers in Peking

"I am still the President of China" said this kindly old gentleman, who is just sixty, to the writer, "because I have not yet resigned. The letter of resignation which I was forced to sign during my brief confinement by a number of soldiers at the Tientsin station is void—as void as the Japanese Twenty-one Demands that were forced upon China at the point of a sword.

It is to be remembered that at the inauguration of Li Yuan-hung as President he declared his earnest intention to abolish the Tuchun system and to disband the superfluous troops. However, he found it beyond the power of one man to carry out such a big undertaking. Many think he should have quit Peking politics a long time ago, but he did not do so. Later, as the military opposition increased, he found life in the Hsin-hua Palace no longer bearable so he suddenly left the office. Can this be accounted as his voluntary submission to power and lawlessness? Some say that he should have stuck to the job and fought to the last ditch. Had he done so no one would have done him bodily harm and he might have won for himself a reputation for martyrdom. To this question which the writer put up to him, he offers the following explanation: "From beginning to end, I abided by the law. During the last few days of my stay in Peking, I sent out a number of telegrams pleading for public support and co-operation. But, either due to the indifferent attitude of the general public or due to the censorship and suppression of my telegrams by my scheming opponents, I did not receive a single answer that I could count on as substantial support. During the eight days from June 6 to June 13, I waited in great anxiety and personal danger for a response.

"Troops in Peking threatened to strike. A repetition of the mutiny of 1912 in Peking was imminent during my government. I have done every thing possible for the people and my conscience is clear before the public. I did not want to cause any more suffering to the Chinese people should the Peking troops be once more turned loose by their masters.

"Moreover," the President continued, "I am still the President here. President Harding of the United States, who recently died in San Francisco, did not spend all his time in Washington. During his tour through the country, he still carried on his presidential duties. Well, as in the case of President Harding of our sister republic, I am still the President but am functioning outside of the capital walls within which my duties were interfered with."

Li Yuan-hung does not seem disheartened by the series of incidents in Peking politics, which drove him from the capital as he is generally supposed to be. At least he has accumulated some political experience and is still in good spirit and according to himself, is still on the job. The writer asked him about the possibility of his southward migration to set up another government in Shanghai or Hangchow. The answer was "If that can save the country, I have no right to refuse to go. I am quite comfortable here. To leave this beautiful place (we were walking in the garden while he said this) and to desert my family will require a great sacrifice on my part. But I shall do it if it is the desire of the people."

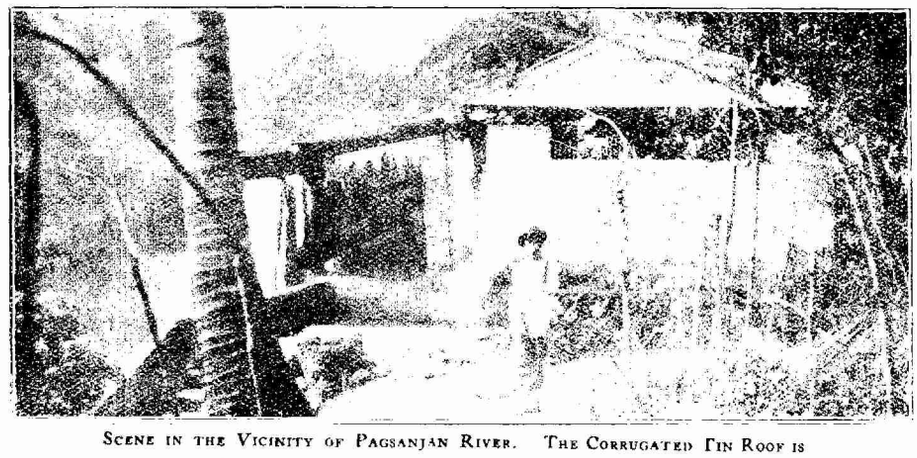
It has almost become a universal practice in China that whenever a politician wants to do something which is beyond his power, that he appeals to the diplomatic body for assistance or asks the diplomatic body not to render any assistance to the opposing parties. Sometimes the foreign legations in Peking receive communications from both parties denouncing each other. It has been jokingly remarked by certain foreigners that the diplomatic corps should set up a special tribunal to settle the differences of childish politicians. However, these appeals, being numerous in number, are generally neglected. Following tradition President Li also sent a telegram to the diplomatic body after his departure from Peking. Asked as to his real purpose he said that the communication was not an appeal for help but a notification to the effect that he was still functioning as the President of China.

Li Yuan-hung blames Marshal Tsao Kun for the recent *coup d'etat*, not necessarily because he took a personal part in it, but because he did not attempt to stop the activities of his subordinates. He explained his view in this respect by referring to a case in Chinese history in which Tung Hu (董狐) a great historian of the Chow dynasty who wrote the book, "Spring and Autumn," put down on record that Chao Tsui (趙穿) was guilty of treason, because one of his subordinates killed the king and he failed to inflict the deserved penalty upon him. "If Tsao Kun," said Li, "had no aspirations for the presidential chair, he should have at least upheld the law and punished the offenders."

Li is of the opinion that the reunification of China should be accomplished by peaceful means. In the first place, he does not believe that any one person is strong enough to subdue all the others. Secondly, he fears that too many innocent people may be caused to suffer from constant wars while the guilty few are still unaffected. According to him, reunification must be effected through peace conferences. This can be done in two ways. First, the military leaders must forget their private contentions and their differences should be settled by a body of impartial persons. Then, government affairs after the stoppage of warfare, must be left in the hands of the civil authorities and not the militarists, who are ignorant in civil affairs.

Li holds no grudge against any particular person for driving him out of Peking but he demands that public opinion shall call for the punishment by law of those who are responsible for the rebellious conduct. Former President Li is now living quietly in his residence in Tientsin, where the writer interviewed him. We sat at a small table and talked for two hours on various subjects. He is a good tennis player and plays four sets every afternoon with his children. On learning that the writer could also play the game, he invited me to play with him the same afternoon. So we played four sets on his private court. In spite of his age he is quick in action and runs rapidly. His young daughter and the fifth son also participated in the game as a photographer snapped the pictures on the opposite page.

Tientsin, July 12, 1923



SCENE IN THE VICINITY OF PAGSANJAN RIVER. THE CORRUGATED TIN ROOF IS SUPPLANTING THE NIPA PALM AMONG THE FILIPINOS

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Li Yuan-hung	Hsiung Hsi Ling	Tsai Yuan-pei	Tuan Chi-jui
Fong F. Sec	Chang Tai Yen	David Yui	Sun Yat Sen
P. W. Kuo	Wellington Koo	W. W. Yen	C. C. Nieh
Li Ming	Wang Chung-hui	C. T. Wang	Hwang Fu
K. P. Chen	Sung Han-chang	Liang Shih-yi	Kan Yu-we
Che Shih-yuan	Lu Yung-hsiang	Tsao Kun	Wu Pei-fu

These twenty-eight names represent individuals who are fairly well known, but outside of their names what do you know about them—about their educations—official life—present addresses—age—and so on. The next edition of

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25-600

News from North China

The death is announced of Shih Chi-chang, Commissioner of Foreign Affairs in Fengtien Province, who died on the morning of August 3 from heart failure.

Chao Teh-san, formerly director-general of the Kiao-chow-Tsinan Railway in Shantung, has recently been appointed deputy director of the Lunghai Pienlo Railways.

The Chinese circles report that the British Minister has lodged a strong protest with the Peking foreign office against the firing on the British Consul by Chinese marines at Amoy.

The Japanese commercial delegates from various parts of Japan and China who met in Shanghai to discuss the anti-Japanese boycott in China, will resume their sessions at Tsingtau on August 10.

The Texas Company has completed an oil installation at Tsingtau near the Asiatic Petroleum Co.'s tanks. A big steamer recently arrived at Tsingtau with a heavy load of oils for the new installation.

Stewart J. Fuller, formerly American Consul-General at Tientsin, who has recently been appointed to the American Consulate at Yokohama in Japan, is planning to proceed to Japan within the next two months.

The telegraph loan made to the Ministry of Finance about a year ago by the Exchange Bank of China has been extended for another year. The rate of interest has been increased to 15 percent per annum.

Judge Peter Grain, of H. B. M.'s Supreme Court in Shanghai, is now visiting Weihaiwei from Shanghai on a vacation trip. He will stay in that place for about a month, after which he will return to Shanghai.

Glenn Babb, formerly managing editor of the *Japan Advertiser* and Far Eastern correspondent of the *Philadelphia Public Ledger Syndicate* in *Tokyo*, has arrived in Peking from Shanghai, and is the guest of Ben Kline.

The Provincial Assembly of Shantung has telegraphed to the Ministry of Foreign Affairs protesting against the proposed opening of Chowtsun, Fangtze and Waihsien to foreign trade at the request of the Japanese government.

The report has been received that the Anfu leaders are making their headquartere at Changchow under the directorship of General Chang Chih-ping. Northern forces in Fukien are mobilizing with a view to attacking the Anfu stronghold at Changchow.

The total amount of expenses that has not been remitted to the House of Representatives is estimated at $1,300,000. This does not include those due to the Senate. Urgent demands for money have been made to the Finance Ministry by both Houses.

Jefferson Patterson, Third Secretary of the American Legation, returned to Peking last Sunday evening from Shanghai. Mr. Patterson had recently traveled to Manila accompanied by his mother, and was absent from Peking for about a month.

A. T. Cox and Mr. Scott of the British Legation left Peking for a vacation at Peitaiho. Mr. and Mrs. E. C. Mieville of the same legation returned to Peking from Peitaiho, but expect to have a fortnight of further vacation at Weihaiwei.

B. Renborg, the Swedish Commercial Attache to China, has arrived at Dairen where he will stay for about a month. During his visit there, Mr. Renborg will deliver a series of lectures on Sweden and will display films showing the industries of that country.

The International Recreation Club which has played an interesting part in the social life of Peking will soon have to put a period to its existence as the ground at present occupied by the Club in Tung Tsung Pu Hutung has been sold by the Ministry of the Interior.

The trade mark bureau of the Ministry of Agriculture and Commerce has decided to establish a branch of the bureau in Tientsin in the near future. It is said that a superintendent will be appointed to the new office to take charge of affairs pertaining to trade mark disputes.

The Ministry of Foreign Affairs has formulated plans for holding a diplomatic conference in Peking this year in order to wind up the outstanding diplomatic questions without delay. The various provinces will be called upon to send delegates to Peking to participate in the discussions.

The Chinese Foreign Office has been asked by the American Legation to redeem the loan overdue to the Chicago Continental Bank without further extension. The Foreign Minister upon receiving the request has urged the financial authorities to raise the needed sum to repay the loan.

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Dr. W. W. Yen, formerly Premier of China and several times the Foreign Minister, has been appointed Chairman of the Financial Reorganization Commission which will consolidate other minor organizations. The Commission will endeavor to put the finances of the government on a sound basis.

The Far Eastern Times published news to the effect that the *Peking Leader* has been sold to interests of the Chihli party, but the news has been denied by the *Peking Leader* the next day in an announcement and an editorial stating that the *Leader* is an independent Chinese newspaper free from any political influence.

S. Morioka, the newly appointed Japanese Consul for Ichang on the upper Yangtze, left Tsingtau recently for Shanghai from which he will proceed up river to his new post. He was given a royal send-off by the whole of the Japanese Consular staff at Tsingtau as well as the Japanese community.

Mr. Funatsu is expected to arrive at Dairen from Shanghai this week to assume charge as Japanese Consul-General for Dairen. Mrs. Funatsu and her children are already there and expect to leave for Mukden soon. Mr. Funatsu has been in Tientsin and was transferred from his latest post at Shanghai.

The Tsinanfu-Tsingtau Railway has very recently increased the companies of railway guards at the different stations. This step was taken by the management of the railway at the instruction of the Ministry of Communications. The bandit menace in Shantung has rendered such a step necessary.

Chang Tso-lin has opposed the visit of General Munthe to inspect the Peking-Mukden Railway, which he claims is efficiently managed and protected under his jurisdiction. Chang says there need be no fear of bandit outrages as he can suppress lawlessness immediately himself. Therefore General Munthe can only proceed as far as Shanhaikwan.

Acting upon the resolutions of the recent Paotingfu conference, Dr. Wellington Koo and Vice Minister of Finance Chang Ching-jen, have been negotiating for the remittance of salt surplus. They have succeeded to a certain extent and a portion of the surplus is to be remitted at the beginning of the next week, the sum being from $500,000 to $600,000.

Both Houses of Parliament suspended their sessions on August 7, Wednesday, as an expression of their condolence for the death of President Warren G. Harding. Minister of Foreign Affairs Wellington Koo sent a cable of condolence on last Friday to the American government through Dr. Alfred Sze, Minister at Washington, as well as a personal message to Mrs. Harding.

The provincial authorities of Shantung and Honan have been in close communications regarding the suppression of bandits in those two provinces, and will organize a Bandit Suppression Army for the infested districts on the frontiers in Shantung and Honan. One mixed brigade of regular troops and another brigade of a precautionary army will be set apart for the purpose.

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Manager.

When Dr. W.W.Yen declined the offer of the Premiership by certain parties in Peking, the followers of the previous premier, General Chang Shao-tseng resumed their activities in bringing Chang back to his old seat. A section of the Parliament members highly approved of welcoming Chang Shao-tseng back to the premiership, and opposition is put in the way by Chang's rival parties.

The Chinese merchants of Sinkiang have petitioned the Peking government urging the closing up of a Russian post office which they allege is established in the private yamen of the Russian Commissioner of Illi. The Russian Commissioner has announced that it is part of the repatriation scheme that the Chinese government has previously agreed to in sending Russian refugees back.

Chang Hu, formerly Minister of Finance, has again been nominated for that position by political parties in Peking, being supported by the Tientsin clique. It is doubted that with Marshal Tsao Kun and General Wu Pei-fu remaining reticent, whether the plan of the Tientsin clique can consummate. Chang has indicated that he will not take office unless Tsao and Wu give express approval.

Among the vacationists now staying at Tsingtau are: Emil Gensburger of Shanghai; R. H. Gregory and Mr. Heckendorf of the British-American Tobacco Co., China, Ltd.; Frank Hadley, an American lawyer of Shanghai; Verne Clair, of the Asia Banking Corporation, Hankow; Dr. Hawks Pott, president of St. John's University, Shanghai; J. P. Reilly of the Whitin Machine Co. of America.

The Belgian Minister has addressed a note to the Ministry of Foreign Affairs asking for the payment of 75,000 francs due from China as a member of the International Trade Bureau. The Bureau is organized by the governments of sixteen countries with the King of Belgium as chairman. China has not paid her dues for the past three years, although she is listed under first class membership.

Chen Lu, Minister to France, has replied to the government that he has approached the French government regarding the rendition of Kwangchowan in accordance with the resolutions of the Washington Conference, but the French government declined to negotiate before the unification of the north and south in China. The government has cabled Minister Chen Lu to approach the Paris government again on the subject.

In order to keep the Naval forces loyal to Peking, the Ministry of Navy has instructed all naval officers to keep their vessels away from Shanghai. It is also suggested that they might send the boats to be repaired in the government dockyards there if they happen to be in Shanghai. The government fears that the secessionists in Shanghai may make use of the naval fleet in making felt their separation from Peking.

A dispatch from Tsitsihar in Manchuria states that 750 unruly bandit-soldiers were massacred in their barracks on August 3 at the command of the Tuchun of Heilungkiang. Early in the day at the order of the Tuchun fifty of the bandits had been executed. These soldiers were among those 1,200 outlaws of Suilan district who had surrendered to the Tuchun some time ago and who were being trained to be enlisted in Chang Tso-lin's army.

The American Commercial Attache has received the following cable concerning business conditions in America: June exports to China aggregated U. S. $8,700,000; imports from China to U. S. $14,000,000. American production and trade are in a slackening condition, although much better than a year ago. Money rates are high but with no urgent demands. Prices especially cotton and steel are declining. The outlook for the autumn is uncertain.

The Civil Governor of Shantung has advised the American Consul at Tsinanfu regarding the non-completion of the dyke work along the Yellow River by the contractors, the Asia Development Company of Shanghai. The director of the Shantung River Conservancy Bureau complains that unless repair work is completed soon, the whole new enbankment may be washed away hy the river, as already one thousand feet of the dyke has been weakened.

The Japanese Consul-General at Harbin in his capacity as senior consul there wrote to General Chu Ching-lan asking him to postpone the date of receiving the land department of the Chinese Eastern Railway until the Consuls have received instructions from their legations in Peking. The Chinese authorities, however, are determined to take over the railway land office from the hands of Russians, and threaten to deport the Russian Chief of that department unless he hands over to the Chinese all of the documents. In taking over the land office of the Eastern Railway Chang Tso-lin has made a formal complaint of ill-treatment of the Chinese by the Russians.

Peking, August 9, 1923.

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News from Central China

A boy, Harold, was born on August 9 to Mr. and Mrs. Peter S. Jowe, of the *Independent Syndicate*, Hankow.

The Hankow Chamber of Commerce has appointed three representatives to proceed to Shanghai to interview the Chamber of Commerce there with a view to bringing about nation wide and harmonious actions in the boycott.

Owing to the boycott in Hankow, most of the Japanese cotton firms have appointed agents to buy the new cotton crop in Chengchow, the Hankow Cotton Guild having decided to enforce a strict boycott in the cotton line.

An accident happened at the mouth of the Han River last Monday when a junk carrying a heavy load of packed cotton yarn from the 1st Cotton Mill at Wuchang, capsized. No lives were lost but the value of the cargo which went to the bottom is estimated at $6.000.

Chikungshan is well guarded by troops, police force and special sentinels. Troops are stationed at all important posts and passes on the mountain and a patrol service day and night by one lien of troops and fifty armed policemen is keeping Chikungshan sufficiently protected.

Further shipments of tea Calcutta are reported and a consignment has gone from Hankow to Australia. Quite a good deal is said to be going to Germany this season. Reports on the bean crop say that this commodity that year will be poor and prices are likely to be high.

The sorrow with which the news of the sudden death of President Harding was received in Hankow was reflected on Saturday by the universal flying of flags half mast on Saturday. Consulates, Chinese offices, municipalities and hongs all joined in paying this last tribute.

The new Japanese Consul-General in Hankow entertained about one hundred Chinese guests today at dinner. The guests include many prominent merchants and Chinese leaders of various circles. The purpose of the function is said to be the furtherance of Chinese-Japanese friendship.

Hankow has recently been suffering from a shortage of Shensi cotton. According to a native explanation the Shensi government has recently established a likin station at Pahohsien near Tungkwan and are levying such heavy tax that it does not pay the cotton merchants to export.

Miss Mary Y. F. Hu, daughter of Rev, T. K. Hu, secretary of Hankow Y. M. C. A., left the port last Saturday night for Shanghai enroute to America. She is one of five successful candidates of the Tsing Hua examinations, and is going to the states to study on government support.

Following the failure of Chinese officials in kidnapping Chang tai-kai, director of the Szechuan Railroad Company, whose arrest in Hankow has been ordered by Wu Pei-fu, the matter of extradition in the French Concession is understood to have been referred to the French Minister in Peking.

The Hupeh Cigarette Taxes Collecting Bureau has now been formally established by the Wuchang government and the bureau office has been opened in Hankow. In all there will be eleven branches throughout the province. The start for the collection on of the tax on cigarettes is scheduled to take place Sept. 1.

The Changsha students have sent a petition to the Ministry of Foreign Affairs in Peking protesting against the stationing of another Japanese gunboat, now that the *Fushimi* has already left that port. The students state that the presence of a Japanese man-of-war may occasion trouble in the future.

Reports have been received from Kaifeng that the rivers in that district have been overflowing and damaging the crops. Many animals and some people have been drowned, the reports say. More than 500 houses have been away. Adding to the distress are the local bandits, who have done considerable plundering.

General Wu Pei-fu has decided to open his military school in September and to encourage all his officers who have not attended a regular school, to study there. General Wu planned to open this school a year ago but his plans were delayed. Those who take the courses will leave their posts which will be filled temporarily by men from the Paoting Miliary School.

According to a letter received by the Roman Catholic Mission from one of their members in Honan is seems that the recent rosy reports about the militarists at last making a move against the bandits holding Father Melotto, is only another deception put up by the Chinese authorities. The

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promised move has not taken place and matters seem to be going on in the usual way with nothing much being done.

Chen Chieh, Commissioner of Foreign Affairs at Hankow, has just returned from a successful mission to Chikungshan where he stayed four days settling differences between the Chinese Public Welfare Society and the foreign missionary community of Chikungshan. The foreigners at Chikungshan have had some trouble with the Chinese society, and they are also dissatisfied with the Deputy of Police Force there.

The Chinese Chamber of Commerce are finding that loans to the Military are not paid back in a hurry. Before the Dragon Boat festival the sum of $60,000 was given to the Garrison Commander here in order to allow him to tide over the financial stringency which was acute at that time. Now as there is no sign of the money going to be refunded the chambers are proposing to cover the amount by subscriptions from the different merchants.

Two Chinese men-of-war have just been despatched from Hankow to Yochow on the Hunan-Hupeh border with a view to assisting the Hunan governor-General Chao Heng-ti in the event of an attack from his enemies. The gunboats, *Tvochien* and *Huying*, were ordered from the lower Yangtze by General Wu Pei-fu who is reported to be concerned about unpleasant developments in Hunan Province, the gateway between the north and the south.

The American community and their friends in Hankow paid the last tribute to the late President Harding in a memorial service held Friday morning in St. Paul's Cathedral, with Rev. F. J. M. Cotter, of the American Church Mission officiating. Besides Americans and other foreigners present there was a good representation of leading Chinese from the Hankow and Wuchang Chambers of Commerce, and the Hankow Bankers' Association, as well as officials.

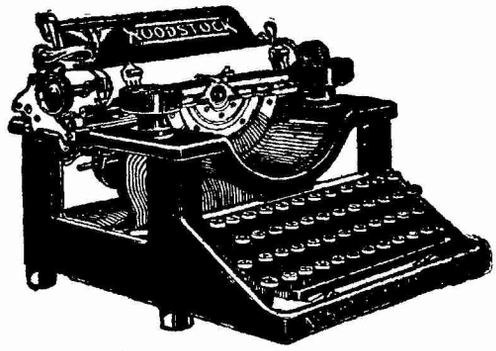
The anti-Japanese boycott is still an organic force in this center and the boycott societies of both Hankow and Wuchang are continuing their ride on the economic warpath with Japanese merchants. The different trade guilds continue their regular meetings, where new proposals are made and discussed. The anti-Japanese boycott headquarters in Hankow is in constant touch with the various units, as well as outport organizations, and it appears quite likely that a provincial organization for boycott may come into being out of the present agitations.

The Lungtangkwei embankment to the south bank of the Han River about four li from Tsekow broke last week. The break is reported to be about 500 feet wide. The city of Tsienkiang has been flooded and a large number of houses, including the magistrate's yamen have collapsed. The Magistrate managed to escape but his wife has been drowned. Casualties are said to go into the thousands while the damage to cattle and crops is also great. Mienyang and Hanchuan districts have also suffered. It is said that the dyke which has broken has not been repaired for sixty years.

The Provincial Chamber of Commerce of Szechuan has petitioned to General Wu Pei-fu requesting that the transportation of Szechuan salt be reserved to native junks so as to give thousands of native craft employment. The salt traffic was until recently exclusively enjoyed by the native boats, and steamers are not allowed to carry salt as well as several other lines of Szechuan produce. Recently an agreement has been reached among the Szechuan merchants, the officials and shipping circles whereby the salt business was parceled out between the the native junks and steamers half and half. It is not easy to understand why the Szechuan Chamber asks General Wu Pei-fu to change the arrangement, while the previous report stated that the terms had been agreed to by Szechuan merchants.

A foreigner who has just returned from a trip to Honan says that conditions there are in a deplorable state. The worst part is the paralysis of transportation following the bandit activities. Goods are waiting to go to the towns in the west of the province and one merchant offered the sum of $5 per picul to anyone who would carry his stuff and still he was met with refusal. News was received on the way down of the city of Tsaoyang in Hupeh having been captured and looted by a band 3,000 strong. The affair occurred on July 31 but all communications were cut by the brigands before they attacked. In order to terrorize the people the magistrate was blinded. Orders have been issued by the Tuchun of the Siangyang garrison to immediately proceed against the horde.

Hankow, August 9, 1923.



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News from South China

The Cantonese are organizing a committee to promote prison reforms and intend to present a building in the form of a modern prison to the government.

The Canton Government Law School will be raised to the collegiate grade beginning this coming fall in line with the Teachers College and the Agricultural College, also recently reorganized.

George Bow, also known as Yao Kun-shen, has replaced Thomas T. Lee as commissioner of public utility in Canton Municipality. Mr. Bow is a graduate of Vermont University in America. For many months Mr Bow was commander of the body-guards to Dr. Sun.

The attempt of Dr. Sun Yat-sen to effect a unification of Canton finance by withdrawing the power of collection from the military commanders now occupying the several sections of the province has not come to any favorable conclusion, the militarists still commandeering public funds and private property under the pretext of urgent military demands.

The Americans in Canton were in official mourning August 9 out of respect to President Warren G. Harding of the United States. Besides the American Consulate-General at Canton and the United States gunboats *Helena* and *Pampanga*, the Chinese government offices and the British consulate and gunboats in Canton were also at half-mast.

R. P. Tenny, retiring American Consul in charge of the Canton American Consulate-General, is leaving Canton the middle of August for Tsinanfu, where he will assume charge of the consulate there. Mr. Tenny has been popular among the Americans in Canton and his coming departure will leave many personal friends here among the Chinese also.

Dr. Sun Yat-sen failed to capture Waichow before August first as first expected because of floods hindering military movements and returned to Canton August 7. Dr. Sun is expecting the return to his official family of Lin Sun, former president of the Chinese Senate and Civil Governor of Fukien. Mr. Lin will join Dr. Sun this time as secretary of reconstruction to the General Headquarters.

River traffic for the trade people is still impossible these days in the North and the West River in Kwangtung because of the presence of pirates and bandits. The hardship at present is being added to by a possible rice famine in several districts due to the two typhoons the latter part of July which have damaged the crops of this summer. Many parts of Kwangtung are being inundated due to excessive rain.

Governor Liao Chung-hoi of Kwangtung has expressed a desire to retire, but so far no official action has been taken. Among those mentioned as his successor recorded by local vernacular press are Hu Han-min, twice civil governor of Kwangtung; General Hsu Chung-chi, now commander-in-chief of the Cantonese Army attacking Waichow; and Chau Lu, M. P., at present commissioner of finance of Kwangtung.

Further reports of floods along the three principal rivers in Kwangtung have been heard from, and the Cantonese authorities are taking steps to relieve some of the affected districts. Poklo District along the East River is suffering the greatest hardship. In addition to floods, the inhabitants have been war victims since early May. Poklo changed hands several times in the Sun-Chen conflict the last few months.

The corruption and abuse complained of the officials who have handled the sale of many million dollars of confiscated and other lands and buildings in Canton in order to raise funds for military purposes may have some foundation. Lately several city officials have either resigned or escaped as fugitives from justice because of connection with the many charges recently presented before the higher authorities. So far no one has been convicted of crime in connection with this.

Cheng Tien-tow, formerly managing director of the Kwangtung Provincial Bank now being held in the Canton Police Station by instruction of the Generalissimo, may be freed on bail of $300,000. Mr. Cheng is being accused of having failed to render a satisfactory account in connection with the bank. Mr. Cheng was also one time commissioner of finance in Kwangtung. He is a graduate of Chicago University and one of the best known among the returned students in South China.

There is no truth to the several reports that the General Headquarters of Dr. Sun Yat-sen have concluded foreign loans with provincial resources, especially coal mines, as concessions. It has been some years that local and foreign financial agents would make offers with the ultimate hope of coming to some successful conclusion upon the final reunification of China. There is no likelihood of procuring foreign subscription to Canton government bonds under the present circumstances.

Relatives of Lo Wen-kan, the Peking Minister of Finance who is being accused of corruption, are much embarrassed these days in Canton by the report that Mr. Lo will soon leave Peking for Canton to become secretary of justice to the General Headquarters under Dr. Sun Yat-sen. Mr. Lo, although having been discharged by the district court in Peking, may be held again by the higher courts, as he is out only on bail. The frequent press reports from Canton seem to have delayed the return of Mr. Lo, whose friends in Canton are all looking for his early return.

The uprising in Heunghan the latter part of July led by Yuan Tai and Chen Wing On, followers of Chen Chiung-ming, has been crushed after about five days of actual fighting around Siulaam, an important town of Heungshan. Some of the remnants of the rebellious leaders have gone to Chinshan for further trouble. Before the uprising, Yuan and Chan captured several passenger tow-boats and launches of the Canton-Shakki run and used them as a sort of battle fleet. It was but a few days ago when some of these boats were released and Canton-Shakki communications restored.

The inability of General Chen Chiung-ming, a former governor of Kwangtung, to lift the siege of Waichow City in Eastern Kwangtung effected by Dr. Sun Yat-sen's forces is compelling the former to seek for a new outlet for his activities. General Chen is sending one of his detachments to Changchow, Fukien, in order to reestablish himself with a basis of future operation, fearing he may have to finally evacuate Waichow and Swatow, two important eastern points of Kwangtung now still in the hands of enemy to Dr. Sun. General Chen once occupied Changchow in the previous struggle for an infernal sphere of influence.

The ninth national convention of the Young Men's Christian Association in China will be held in Canton next October 16-21. The Canton Y. M. C. A. is having a special committee in preparation for the gathering. Among those in the special committee are Poon Tsu-tung, a member of the Association Board of Directors, chairman; C. Y. Chen Kie-woon, director of general affairs of the Department of Finance in the Constitutionalist Government; Ho Leison, manager of Hotel Asja; Ma Cho Kim, manager of Sincere Company at Canton; and Hin Wong, formerly editor of the *Canton Times* and the *Canton Daily News*.

The Kuomintang struggle between Sun Yat-sen and Chen Chiung-ming followers for the domination of Kwangtung has not yet ended, and the last few days saw Dr. Sun and General Chen pretty close to each other, not for compromise, however, but in the operations around Waichow, the strongest hold of Sun's present strongest enemy. Bombardment of Waichow is in progress since August 2. The land forces will be now supplemented by an aerial squadron which has just been reinforced by six new machines. Dr. Sun Yat-sen is now near Waichow, his station being at Poklo, which has been changing hands pretty often lately.

By an unnecessary act, the return of Dr. Sun Yat-sen to popularity in Kwangtung is being much delayed. The order of Sun Yat-sen to the Secretary of Resconstruction in his General Headquarters to take charge of the Sunning Railroad in the Szeyap Districts temporarily during the present internal disturbance is being misunderstood by the Szeyap people and the overseas Chinese in America who own most of the stock as the nationalization of the road like the confiscation of the temples and other semi-public property for the purpose of sale in order to defray the expenses of the factional struggle now in progress in several sections of Kwangtung.

In spite of chaos within the government by which the Kwangtung Higher Normal School and the Kwangtung Agricultural School are supervised, these institutions, when reopening this coming fall, will raise their standard to the college grade. The dean of the Higher Normal School who actually directs the educational side of the institution is Ying Nam Lee, a graduate in education of the Wisconsin and the Chicago Universities. The president of the agricultural college is Chik-yu Tang, a graduate of Michigan University who has been connected with the Peking Ministry of Agriculture and for the last seven years director of the Canton Government Agricultural Experiment Station and principal of the Kwangtung Agricultural School.

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The returned students from America and Europe in Canton had a picnic August 5, and among their number was Governor Liao Chung-hoi, who was born in San Francisco and studied some time there. The returned students may also claim among their number a president and a mayor, Dr. Sun Yat-sen, one time a student in Iolani College, Honolulu, Hawaii, and Sun Fo, a graduate of California and Columbia University. Governor Liao and Mayor Sun were present at the picnic but Dr. Sun was then engaged in the East River campaign. The Chief Justice and the Procurator-General of the South China Supreme Court and Chief Justice and the Chief Procurator of Kwangtung Provincial High Court are all returned students.

The frequent piracy and military disturbance in the Canton rivers, in which private vessels have been captured, are causing no little anxiety among the people of all classes. Leung Tak Woon, one time chief executive of the Canton Boy Scouts and now connected with a foreign firm in Shameen, has been missed in one of the recent attacks on the West River. His many friends are now looking for his whereabouts. Szeto Wai, a former assistant scout commissioner in Canton, was a captive among bandit dens along the East River for more than three months as a victim of a recent Canton-Kowloon Railroad robbery. The Canton Police in early August succeeded in rescuing a teacher recently captured from the Holy Trinity College during an attack by bandits.

When credit will be given to whom credit is due, Chik-yu Tang of the Kwangtung Agricultural College will have no small share for the valuable service recorded for Kwangtung. When other officials sold the agricultural station and thus destroyed the work which began more than fifteen years ago, Mr. Tang succeeded, through publicity and legal actions, in recovering a part of the large experiment farm for a school site and the adjacent farm last April. Instead of being discouraged, Mr. Tang, is now giving his best attention to the school, while the large farm nearby and the plants in observation, once the pride of many returned students who have served there, are being converted and demolished by real estate agents. The buyer of the outgoing agricultural station in Canton is the Bank of Canton, Ltd., a concern registered in Hongkong and having branches in many important cities throughout China.

Chau Lu, M. P., Commissioner of Kwangtung Finance, is resigning because of the failure of the present government to effect a unification of finance and accounts. The recent attempt of the General Headquarters of Dr. Sun Yat-sen to call for a conference for the unification of finance has met no response from the members of the military circles. The military commanders, while commandeering public funds and private property at will, still press on the General Headquarters and the Canton Government for money, holding Dr. Sun virtually by the throat, being ready to throw him into the hands of his enemy in case he delays unreasonably to comply with their demands. The matters daily engaging the attention of Canton officials are ways and means to satisfy all these endless pressures for money. What has driven Dr. Sun Yat-sen and his party in Canton to unpopularity is their financial policy, the confiscation of temples and the exceptionally heavy bails exacted of alleged traitors suspected by some prominent citizens.

H. W.

Canton, August 9, 1923.

Diplomatic Body Presents Lincheng Demands

In continuation of previous communications addressed to the Chinese Government relative to the Lincheng incident (the attack on an express train on the Tientsin-Pukow line during the night of the 5th-6th May, 1923, in the course of which foreigners were carried into captivity by the brigands), the Diplomatic Body has the honour to notify the Government above mentioned of the decisions which it has reached concerning:

(1) The damages which the Diplomatic Body proposes to claim from the Chinese Government for the victims of the outrage;

(2) The guarantees which the Diplomatic Body considers to be necessary for the future; insistence on the responsibility of the military governors and other authorities; measures for the protection of the railways;

(3) *Sanctions.* Punishment of the officials or employees of the railway who were guilty in this matter of neglect of duty or of complicity with the brigands.

I. *Damages*

The Diplomatic Body claims damages from the Chinese Government for the foreigners who were the victims of the Lincheng incident.

These damages will be classified into the following categories:

(A) Compensation for loss of baggage and objects which were either stolen or lost at the time of the attack on the train and for individual medical attention rendered to the prisoners during the period of their detention; these will be based on the sworn statements of the persons concerned in the presence of their respective Consuls,

(B) Compensation for the loss of life and of liberty and for sufferings and indignities undergone by all the foreign travelers while in the hands of the brigands; $20,000 Mex. for the foreign traveler who was killed on May 6th at the time of the attack on the train by the brigands; $500 Mex. per prisoner per day for the first three days of detention, May 6th, 7th and 8th;

$100 Mex. per prisoner and per day during the week commencing May 9th;

$150 Mex. per prisoner and per day during the week commencing May 16th;

$200 Mex. per prisoner and per day during the week commencing May 23rd;

$250 Mex. per prisoner and per day during the week commencing May 30th;

$300 Mex. per prisoner and per day during the week commencing June 6th.

(C) Compensation to cover reimbursement of the amounts expended in supplying relief to the prisoners.

In formulating the above mentioned demands for definite indemnities (A, B and C) the Diplomatic Corps declares that the foreign victims of the Lincheng incident are entitled to receive from the Chinese Government supplementary indemnities varying according to individual cases as compensation for bodily injuries, medical attention loss of earnings and temporary or permanent decrease of earning capacity caused by their captivity or in consequence thereof. Individual demands will be examined and formulated in each case by the Legation of the person interested.

The Diplomatic Corps endorses the demands presented or to be presented separately by several Legations for damages suffered by foreign prisoners of brigands in Honan from June to December, 1922, thereby indicating clearly that the Diplomatic Body has been notified of these demands and approves them in principle.

II *Guarantees for the future*

The Diplomatic Body notes with great regret that the brigands infest not only the province of Shantung but all or a part of the provinces of Chihli, Kiangsu, Honan, Anhui and other provinces and that the means employed at present to suppress them are notoriously inadequate. The first duty of the Chinese Government being to maintain order and protect foreigners and Chinese against violent acts and outrages on the part of the brigands, the Diplomatic Body invites the Chinese Government to take, through the agency of the inspecting generals, military governors, etc., immediate steps to cooperate in organizing with the help of their best troops vigorous operations against the bandits. The Diplomatic Body will eventually instruct the Military Attaches of the foreign legations to follow these operations and report to them.

A. *Responsibility of the Military Governors and other Provincial or local Authorities*

The final protocol for the settlement of the disturbances of 1900 (Article X and Annex 16) declares that all the Governors General, Governors, and provincial or local officials are bound to insure in the most efficacious way the protection of foreigners and are responsible for the maintenance of order in the event of new anti-foreign disturbances, within the limits of their districts

It expressly prescribes the following penalties for those who should fail in this duty;

> "If, owing to indifference, or rather of voluntary tolerance, great calamities take place, or if treaties should be violated and no immediate steps taken to make reparation or inflict punishment, the Governors-general, Governors, and the provincial or local Officials responsible will be removed and shall not be reappointed to other offices in other provinces, or hope to be reinstated or receive any further honors."

Brigandage having become a grave menace to the lives, property and rights of foreigners in China, the Diplomatic Body will keep itself accurately informed with regard to this state of unrest and for that purpose it has decided on the despatch in case of need of its own representatives into the provinces infested by the brigands in order to examine and report upon the local situation. When it appears to the Diplomatic Body that a Military Governor or officer commanding troops or that a provincial or local official has failed or is failing in his duty of providing protection for foreigners in conformity with the Clauses of the Protocol of 1901 above mentioned, the Diplomatic Body will demand the immediate imposition on the offender of the penalties prescribed therein without prejudice to such additional punishments, fines, etc., as the circumstances may call for.

The Diplomatic Body moreover reserves the right to order the exclusion of these officers or officials from the protection of the foreign concessions or settlements in the treaty ports.

B. *Measures for protecting the railways*

The Lincheng incident has clearly shown the danger which foreign travelers at present run on the Tientsin-Pukow Line, which is one of the principal means of communication in China, and on the Chinese railways generally.

From the inquiries which the Diplomatic Body undertook and from the information which it has collected, particularly

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from the International Military Commission, which it despatched to Lincheng, it transpires that the present system of protection of the Chinese railways is insufficient to insure in an efficient manner the protection of the lines.

The Diplomatic Body considers that reforms are necessary and that it is its duty to aid the Chinese Government to carry these out, by collaborating with them in the task.

The reforms which the Diplomatic Body has in view would consist in the reorganization of the forces of the Special Chinese police who would be placed under the supervision of foreign officers and entrusted with the protection of the Chinese railways.

The Diplomatic Body reserves the right, after a more elaborate study of the question, of presenting as soon as possible to the Chinese Government the scheme which it will have adopted.

III. *Sanctions*

The Diplomatic Body requires from the Chinese Government the punishment of those civil or military officials and employees of the Tientsin-Pukow railway whose complicity with the bandits may be established or whose conduct may be found to have facilitated the crime either by negligence or lack of foresight before, or by inactivity during the incident or whose attitude have been found to have contributed to the prolongation of the detention of the foreign prisoners.

Without entering into the details of all the prosecutions to be undertaken in connection with the Lincheng incident, the Diplomatic Body, after having made a careful study of the matter by means of international commissions both civil and military and by other methods, finds it necessary to request the Chinese Government to inflict upon a certain number of persons the punishments which it has determined. The demands of the Diplomatic Body are as follows:

1. That General T'ien Chung-yu, Military Governor of Shantung, who, as Military Governor of Shantung, was directly and wholly responsible for the maintenance of order and the protection of foreigners in his province, and, as Commander-in-Chief of all the troops in his province, was responsible for the payment, discipline and conduct of his troops, should be summarily dismissed from his present duties, that he shall never henceforth be entrusted with any official duty or mission on Chinese territory and that he should henceforth receive no new honor.

2. That General Ho Feng-yu, Defense Commissioner at Yenchowfou and Commander of the 6th Mixed Brigade of Shantung, who, as Defense Commissioner at Yenchowfou, had responsibilities in Southern Shantung similar to those of General Tien for the entire province and who, after General Tien was responsible for the continuation of brigandage in southern Shantung, shall be dismissed from his duties and shall never again be appointed to any military command whatsoever.

3. That General Chang Wen-t'ang, Commander of the Tientsin-Pukow railway police, responsible for the discipline and conduct of the police along the permanent way and on the trains of the said railway, shall be dismissed from his duties and shall never again be entrusted with any police duty on railways.

4. That Chao Te-chao, the officer in command of the guard on the train which was attacked on May 6th, responsible for the defence of the train, who was not in uniform at the time of the attack and who took no action and allowed himself to be captured by the bandits, should be dismissed from his present duties and shall never again be employed in a police capacity.

REMARKS

In conformity with the provisions of the last paragraph of Article II-A above, the Diplomatic Body reserves the right to themselves to order the exclusion of these four officers from the protection of the foreign concessions and settlements in the Treaty Ports. The punishment of certain officers, however, does not adequately satisfy the just claims of the Diplomatic Body.

The attack by brigands on the train from Pukow to Peking, the capture of foreign travelers, the length of their captivity, the measures which had to be resorted to to obtain their release, have proved to the world that foreigners do not enjoy in China the guarantees of safety to which they are entitled. The actual sanction of the Lincheng incident should be found in a strict respect by the Chinese Government and all authorities in China for the rights of foreigners and for the treaties in force.

The Diplomatic Body has firmly determined to guard closely and to maintain by all measures in its power the defense of these rights and the application of those treaties which were solemnly confirmed at the time of the final establishment of the Republic of China, by the declaration communicated to the Legation on October 6, 1913, prior to the publication on the 10th of the same month.

Before terminating this note, the Diplomatic Corps draws the attention of the Chinese Government to brigandage in China which in its present state constitutes a grave danger for the whole country as well as for the rights and interests of foreigners.

The Diplomatic Body has received admissions that the Chinese Government were aware of the existence and recent development of brigandage in China in the official notifications addressed by the latter to the members of the Diplomatic Body respecting the insecurity of certain districts from which the Waichiao Pu desired on that account to exclude foreigners from those districts.

The Chinese Government has now recently been warned that these notifications will be only considered as valid for a limited period and the Diplomatic Body hereby declares that henceforth they will consider these notifications as being official recognitions on the part of the Chinese Government of the existence of brigandage in the districts mentioned and all renewals of the said notifications after the fixed time limit as being official admissions on the part of the Chinese Government of their failure to suppress the brigandage in these same districts where they had denied its existence.

The Diplomatic Body aims at suppression of brigandage in China because brigandage threatens the rights and interests of the foreigners under their care. But the Chinese no less than the foreigners suffer from the evils of brigandage and when the Diplomatic Body asks that by the suppression of brigandage foreigners should be guaranteed security in China it is in fact asking that the Chinese should also be guaranteed security in their own country.

The recent development of brigandage with its evil consequences is not always caused by reason of the lack of military forces; there are at the present time in China more soldiers under arms than in any other country in the world. But these soldiers do not suppress the brigandage either because, not being paid, they refuse to make any efforts and even fraternize with the bandits or, as is generally the case, because the best of them are otherwise employed. As long as the Chinese Government allows the best disciplined troops in China to devote themselves to those civil wars which perpetually afflict one part or another of this great country the national or provincial armies will be diverted from their true task. They will more than any one else minister to the misery and sufferings of the Chinese people instead of acting as their defenders against the outrages and depredations of the bandits.

If the Government of China continues to authorise or to tolerate these abuses, if they do not set themselves resolutely to repress the brigandage which threatens the rights and interests of foreigners in China, the Diplomatic Body will be obliged to consider what further steps should be taken to protect the lives, the property, the rights and interests of foreigners in a country which although it enjoys the rights and privileges accorded to members of the great family of nations has shown itself incapable of fulfilling even the most fundamental of the duties which are inseparably connected with the rights and privileges of membership.

The Diplomatic Body desires the Chinese Government to understand its intention to obtain in reparation for the Lincheng incident the indemnities, guarantees and sanctions enumerated above.

Accept Your Excellency, etc., etc.,

(Signed)

Batalha de Freitas	de Fleuriau
W. J. Oudendijk	Vittorio Cerruti
Jose A. Barnet	Francisco Castillo Najera
Johan Michelet	Ronald Macleay
Robert Everts	Yoshizawa
Marquis de Dosfuentes	C. Bonde
Jacob Gould Schurman	H. H. Schroeder
Adolf Boye	G. de Bulhoes

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The Situation in North China

While the political situation in the North has undergone no marked changes, political groups continue to meet in conference, parliament remains in a deadlock and there are indications continuously of unrest about the Capital. A statement recently given to the Cabinet might throw a little light on general conditions as they exist in Peking today:

This statement reads as follows: "Due to internal dissension since the establishment of the Republic, finances have gone from bad to worse, and when provinces ceased remitting revenue, loans were contracted. In the beginning these loans were contracted for specific purposes, but later, because of the inability of the Government to meet them, they were renewed and more contracted to finance the Government, for which the authorities cannot find funds.

"There are, however, several reasons which have contributed to the present distress. First no precautions were taken to put a loan to its proper use nor any thought given to how it would be refunded. Secondly the money from loans was lavishly used without intent or purpose. Thirdly the authorities have failed to preserve the credit of the Government. Thus it is no longer possible to make new loans and the employees of the Government must work without pay and strikes have been frequent. Banks are likewise affected and it is felt that unless the government finances are reformed, commerce will cease and there will be great unemployment. The Lincheng affair is an example of what might occur."

The Ichang Episode

According to a Hankow despatch on the recent Ichang incident, it is stated that the American Commander, Admiral W. W. Phelps, has made three demands to the Chinese authorities:—First, the men responsible for the outrage should be adequately punished. Second, that the Americans who were wounded should be given indemnities. And third, that damages and loss to the *Alice Dollar* be paid by the Chinese authorities. Admiral Phelps has given freedom to the guard of soldiers of General Liu but detained the General and has taken him to Hankow to deliver to the Tuchun of Hupeh, who will be responsible.

The Chinese Eastern Railway

Perhaps one of the other news developments of any importance during the week under review had to do with the seizure of the Chinese Eastern Railway. The *Asiatic News Agency Service* carried a report on the latest developments there:

"With regard to the land department of the Chinese Eastern Railway, Marshal Chang Tso-lin complains about the alleged ill-treatment of Chinese tenants by the Russians and Chinese employed by the said department so that serious complications have arisen along the line. The Chinese authorities maintain that the abolition of the land department will prevent both Reds and Whites from utilizing the railway zones for political ends as frequently complained by the Soviets. Owing to the intervention of the foreign Consuls at Harbin, although General Chang Huan-hsiang, garrison commissioner of Harbin, has been appointed director of the railway lands concurrently by Marshal Chang Tso-lin, the Chinese authorities did not actually assume charge on the first instant. The Chinese authorities have assured the Consuls at Harbin that the function of the land department will be continued and lands will be distributed to both foreigners and natives as usual. On account of the protest of the Soviet Mission, the Government has wired to Chang Tso-lin and Dr. C. C. Wang, President of the Chinese Eastern Railway, for particulars. It is feared that under the pretext of self-government for Manchuria, Peking's orders may not be obeyed in Mukden or Harbin at the moment. The rash action of the Fengtien militarists is not welcomed by a section of the Chinese press especially in view of the coming arrival of Mr. Karahan in Peking and the *Sheng Pao* is of the opinion that the problem should be discussed and settled between the Chinese and the Russians at a conference table instead of by arbitrary actions of one party.

Philippines and Japan

There seems to be a lull in affairs in the Philippines and Japan during week under review. The Quezon-Wood question has died down for the moment and Nippon and Russia seem to be concluding their conferences. Adulphe Yoffe, the Russian delegate of the Russo-Japanese Conference left Japan for Vladivostok on August 10.

Financial Notes

The trade letter of the First National Bank of Boston for mid-July comments, as follows, on business conditions in America:

"The usual mid-summer lull in trade is accentuated this year by timidity and hesitancy in placing orders. The country has again become conservative in buying and is pursuing a hand-to-mouth policy. In many ways this is beneficial. Following the rise in costs and increased activity in business which culminated last March, great concern was expressed on all sides that the tendency toward inflation must be checked or runaway markets and disaster would speedily follow. Overproduction was freely predicted.

"In general, however, there has been no overproduction, inventories are not swollen, stocks are low and retail trade is and has been for two or three years very good.

"The general feeling in the trade, however, is optimistic for a good season this Fall. In fact, a scramble for goods is quite possible. Bankers, generally, are commenting on the industrial situation as sound and wholly unlike that prevailing in 1920."

Senator Oddie announces that the date for the conference of silver producers of this country, Central and South America, will be September 4 at Reno, Nevada. The proposal to organize a silver export association will be one of the chief objects of the conference but other equally important developments are likely at the same time.

General agreement among dominant interests in the silver situation relative to the formation of an export association is significant not especially because it is another constructive effort but because antagonizing elements have finally fallen into line on a plan that calls for unanimity in purpose and operations.

It is rather significant that when even the preliminary announcement of this silver export association reached the Far East that excitable silver markets resulted.

No one understands these markets better than the experienced dealers of Shanghai and Bombay, and even intimations that greater efficiency in silver marketing was likely created a panicky feeling among most of them because during the summer period they invariably assume a short position.

Certainly the producer is assured of a much brighter future; more efficient marketing methods mean higher prices, and we are doubtless approaching that long delayed period when silver will again assume its justified supreme importance in the affairs of this troubled but, fortunately, still prosperous world. *The Financial Review.*

Now that prize-fighting has entered the realms of high finance, the sports promoters are turning toward the stock market to finance their ventures, and New Madison Square Garden Corp. is offering 50,000 shares of its class A stock to the public at $20 a share, to yield 10 percent. Pretty soon we can look for "Jack Dempsey common and preferred" "Firpo first preferred," "Panchow Villa general and refunding 5's," etc., etc.

Motor car production for the first half of the current year set the unprecedented high record of 2,029,000 vehicles, representing an increase of 74 percent over the 1,161,000 cars turned out during the corresponding period of 1922. All indications point to the second half-year reaching an even higher mark, with little likelihood of the full 12 months' output falling under 4,000,000. This figure dwarfs all previous production estimates.

Henry Ford is the crux of the entire automobile situation. His June production was 200, 683 units, or 54 percent of the output totalling 372,000 cars. For 6 months of 1923, Ford has made 991,628 vehicles, which contrasts with 1,351,-333 for all of 1922 and 1,013,928 for 1921.

It is officially announced that the Ford organization will turn out more cars in the closing half of this year than it did in the first period, and a 1923 total of 1,800,000 is assured.

As of July 1, there were 13,048,128 motor cars and trucks registered in the United States, representing a gain of 2,440,000 or 23 percent in a year. There is now 1 motor vehicle for every 8.5 persons in the country.

Shanghai Exchange for Week Ending Wednesday, August 8th, 1923.

By Maitland, Fearon and Brand

Exchange:—The London price of silver at 31d. is ¼d. higher than last week. The quotation for two months forward delivery is 30⅛d. Both India and China have bought during the week. Our official quotation for T/T on London has remained unchanged at 3/0¼d. There has been very little genuine cover offering, exports are very dull. Our Local Gold dealers have re-sold large amounts of Gold T/1 and against this cover premium of ¼ to ⅜d. over official quotations has been available. It is doubtful whether much more of this cover will be forthcoming and without it our market is inclined to take a weak tendency. This was in evidence at the close.

Our stocks of silver show improvement and advices of actual shipments of silver to arrive aggregate about Tls. 5,000,000 (value) before the end of August and Tls. 1,000,000 in early September.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver .....Tls. 25,917,000 an increase of Tls. 775,000.
Chinese and Mexican Dollars..... $ 35,080,000 an increase of $ 770,000.
Estimated value Tls. 51,174,000 as against Tls. 62,007,000 held at this time last year.

T	Average rates for July	Thursday Aug. 2	Friday Aug 3	Saturday Aug. 4	Monday Aug. 6	Tuesday Aug. 7	Wednes. Aug. 8
Bk's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	3/0.312	3/0¼	3/0¼	3/0¼		3/0¼	3/0¼
D/Dfts. ,,	—	3/0⅜	3/0⅜	3/0⅜		3/0⅜	3/0⅜
4m/s ,,	—	3/0½	3/0½	3/0½		3/0½	3/0½
T/T India	224.604	225¼	225¼	225¼		225¼	225¼
T/T France	1,178.125	1200	1200	1195	BANK HOLIDAY	1195	1200
T/T N. Y.	69.406	69	69	69		69	69
T/T H'kong	74.542	74⅜	74⅜	74⅜		74⅜	74⅜
T/T Japan	70.594	71	71	71		71	71
T/T Batavia	181.125	181	181	181		181	181
T/T Straits	77.073	77	77	77¼		77¼	77¼
Bk's buying rates							
4m/s B/L. Cred, D/A	3/1.750	3/1⅛	3/1⅛	3/1⅛		3/1⅛	3/1⅛
4m/s ,, D/P	—	3/1⅜	3/1⅜	3/1⅜		3/1⅜	3/1⅜
6m/s ,, D/A	3/2.250	3/2	3/2	3/2		3/2	3/2
4m/s B/F. C., D/A, D/P	1,228.125	1250	1250	1245		1245	1250
4m/s N.Y. Lc.	72.052	71½	71½	71½		71½	71½
4m/s ,, Docs	—	72	72	72		72	72

†Based on Daily Official quotation, higher rate taken on rising Market, ower when falling	Aug. 2	Aug. 3	Aug. 4	Aug. 6	Aug. 7	Aug. 8
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence.	30 7/8	30 1/16	30 3/16		30 5/8	31
*N.Y. Price of Bar Silver per oz. (Pure)	G. $. 63⅝	G. $. 62⅜	G. $. 62⅝		G. $.	G. $. 62¼
Shanghai Price of GoldBars (weight Tls. 10 (Chauping) 978 touch	Tls. 340.00	Tls. 341.70	Tls. 341.20	HOLIDAY	Tls. 340.20	Tls. 340.30
Shanghai Silver Bars (weight Tls. 100 (C.)999 touch)	111.00	111.00	111.00		111.00	111.00
Shanghai Mexican Dollars per $100	72.0625	72.0625	72.0875		72.175	72.175
Native Bank Rate of Interest (Callmoney)	2½%	1½%	1%		1%	%1
*Closing Price in London for Previous day.						
**Closing Price in New York for Previousday						

Bank of England rate of discount	4%	London on Paris	T/T 79.40
Bank of France rate of discount	4½%	London on Germany	T/T
London open Market rate Dis. 3 m/s.	3⅛%	NewYork on London	T/T 456½
,, ,, 4		Bombay on London	T/T 1/4 1/16
,, ,, 6	3⅛%	Hongkong on ...	T/T 9/8½
		Yokahama ...	T/T 2/11

GENERAL NEWS SUMMARY

August 9. Thousand of persons gather in Washington D. C. in honor of late President Harding's funeral services.——Slump occurs in value of marks in Germany due to demand by foreign currencies by importers of supplies.——Washington report says United States is to have large wheat crop and issues estimate of year's wheat at 793,000,000 bushels.

August 10. President Harding's body after lying in state at the White House in Washington is removed to Marion, Ohio where a private and quiet funeral is held in home town.——Paris demands an independent Rhine state and delay occurs in drafting of Britain's replies to Allied Notes due, rumored to differences existing in Cabinet.——Irish Trade Union and Labor Congress at Dublin again break up trade union congress disturbing many dockers.——United States Steel Corporation, so-called "Steel Trust," announces 8-hour day to go into force on August 16.——German marks reach what market terms "joke-level" of 27,000,000 to the £.——Germany's trade during past year with England shows increase.

August 11. President Calvin Coolidge is warned to steer clear of prohibition issue and let governors of state settle the question.——London report says further conferences held regarding reply to French note on reparations and strong rumors are to the effect that Britain will act separately as previously announced by her.——Paris swelters in great heat wave the highest temperature ever registered in France.

August 12. All nations halt as Harding is laid to rest in his home town of Marion Ohio.——Germany is in state of upheaval owing to strikes and riots occurring all over country due to fall of mark.

August 14. Irish Free State elections open and are attended by scenes of disorder in which women take active part.——Britain in note on reparations warns Paris of her attitude and says occupation of the Ruhr is illegal and asks payment of debt. The note speaks with great frankness.

August 15. French official circles express amazement at Britain's attitude on reparations and are astonished at linking of French with German debt.——Berlin in grave doubt as to her commercial and financial condition is fearful of many people starving and a great famine ensuing.——President Coolidge calls first meeting of Cabinet and insists all members retain their former positions.——President Harding left G, $750,000 in estate, Mrs. Harding being chief beneficiary of the will.

Weekly Cotton Market Report

By A. B. Rosenfeld & Son

China Cotton :—The action of the market during the past week has been very erratic but outside business was less active and fluctuations on the whole originated from manipulative causes. The steady undertone during the early part of the week brought about an over-sold condition from which we had a sharp reaction, started primarily by the sharp advances in Mid-Americans, in consequence of which our market responded in sympathy, the movement was rendered more vigorous by the covering of shorts. At the close of the week, due to the political squabble in China, the undertone was steady.

Looking at the situation in the broadest way, we believe that as long as the outlook for the next crop remains favorable, the preponderance of chances will be against the market. In the meanwhile, however, the market will be governed by weather conditions in the cotton belt and by the action of professional operators and also the world markets.

Extracts of Correspondence.

Tungchow, August 7 :—There has been no rain in this territory. Conditions would be entirely satisfactory if we could get a gentle rain to bring the cotton to a good stand.

Shanghai and Districts, August 8 :—In these sections the weather has been too hot and dry, and complaints are general of too much sunshine; it is of utmost importance that we have rain without further delay.

Yangtsze Valley, August 5 :—The weather throughout the Valley at present is too dry for the condition of the plant.

Chekiang Province, August 6 :—The weather has continued clear and warm and the crop is generally clean. We need heavy showers within the last three or four days in order to improve general conditions.

Chili and Shangtung Provinces, August 6 :—Weather fine. Crop reports are favorable; the last rainfall was very beneficial to the crop.

Shensi and Shansi Provinces :—No reports to hand.

Yarn :—During the past week there has been no change in the fundamental conditions of the market. Fluctuations were within narrow limits and with a steady tendency at the close of the week. Some 8,000 bales of local spinnings have been booked for export to Tientsin, Szechuen, Swatow, Kiangse, Tsingtao, Chefoo, Canton, Changsha, Yingkow, Hankow, and Wuhu.

Liverpool, August 9, 1923.

Liverpool Market:—

Fully, Middling Spot		14.80	Pence
,,	,, October	12.94	,,
,,	,, January	12.62	,,

Market:—*Steady.*

New York, August 9, 1923.

New York Market:—

October	23.00	Cents
December	22.95	,,
January	22.72	,,
March	22.78	,,
May	22.73	,,
Spot	24 25	,,

Market:—*Steady.*

Bombay, August 9, 1923.

Bombay Market :—

Broach, F. G. August,	Rps.	484	per Khandy
Fully Good Bengal, Dec./Jan.	,,	359	,, ,,
Fine Oomra, Dec./Jan.	,,	407	,, ,,

Market:—*Steady.*

Shanghai Market :—

Tungchow Spot	Tls.	40.00
Shanghai, Spot	,,	35.50
M-ginned, Spot	,,	36.00
Taichong, Spot	,,	37.50
Shensi, No. 1 Spot	,,	38.00

Market:—*Steady.*

New Books and Publications

The Middle of the Road by Philip Gibbs. George H. Doran Company: New York: 1923.

TEEMING with opinions of all sorts of people in England, Ireland, France, Germany and Russia on the causes of the chaotic conditions which immediately followed the Great War, The Middle of the Road proves most interesting reading. A love story runs through the novel, but it is a rather poor one.

The protagonist, Bertrand Pollard, is home in England after four years in France as an army major. He has been married a year, and is living on his wife's money, having been unable to secure work himself. Her father is an earl, and she is deep-dyed in class traditions which make labor agitation appear as revolution. Pollard's father, a lawyer and M. P., is also a rigid conservative, and would annihilate the Sinn Feiners and laborers at a blow if he could.

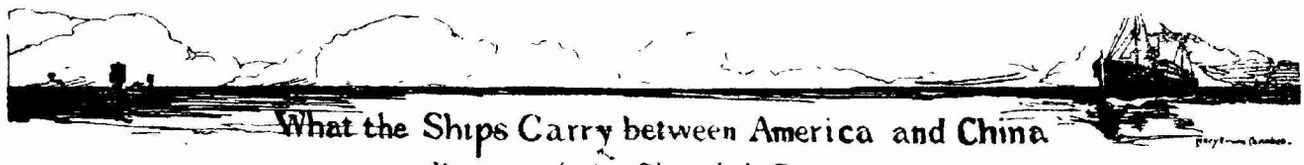
Our hero vitally disagrees with this aristocratic prejudice against the laboring man. He gets the opinion of working-men who have fought under him in France. He believes they don't want revolution but simply work and a living wage. However, his convictions in favor of the man in the street are not strong enough to impell him to take up the cudgel in their behalf, and he rejects in large measure the socialist views of his best friend and a dilettanti group gathered about him. He travels along the middle of the road in doubt.

His family relations are beset with grief. His sister marries an Irish leader who is executed. His brother is killed in Ireland fighting with the British forces. His mother dies. His wife's father is forced to sell the family estate because of the high taxes imposed, and finally Pollard and his wife separate.

Pollard is sent through France, Germany and Russia by a newspaper, and he chats with farmers, army generals, shopkeepers, and others from every walk of life, gleaning their views on national and international conditions. The story winds up rather weakly with a sick-bed reconciliation between Pollard and his wife.

The book ends abruptly, without the author having ventured any opinion as to means of solving the many misunderstandings between classes and between nationals of Europe. That is rather disappointing, as it suggests the author sees no hope of reconciliations, and accepts a laissez-faire attitude suggested by the title of the book, The Middle of the Road.

Sir Philip Gibbs is regarded by many as the most eminent of modern, English writers. and his latest book, The Middle of the Road, despite criticisms noted, strengthens his claim to eminence. The human interest with which the book is filled makes it most interesting, and the attitudes recorded of various characters are unquestionably authentic as the author has been travelling through Europe ever since the war.



What the Ships Carry between America and China

Returns of the Shanghai Customs

(Key: Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Customs Rate Tls. July 1.26 equal Gold $1)

S. S. Langton Hall, July 20

To Boston.

Tea, Black, Hankow ..	Pls.	244
Tea, Green:		
Gunpowder, Ningpo..	Pls.	22
Young Hyson, Other Ports	,,	22
Cotton, Raw, Bls. 125.	,,	457

To New York.

Tea, Black, Hankow..	,,	726
Tea, Black, Kiukiang..	,,	605
Tea, Green:		
Gunpowder, Ningpo..	,,	161
Gunpowder, other Ports	,,	12
Young Hyson, Other Ports.....	,,	43
Egg Albumen, Dried...	,,	168
Carpets .....Hk. Tls.		2,256

S. S. Empress of Canada, from U. S. A. July 16.

Leather, Calf	Pls.	3

S. S. Virginia Dollar, from U. S. A., July 16

Cotton, Raw, Bls. 250.	Pls.	890
Iron Bars	,,	1,595
Iron Plates	,,	242
Iron, Galvanized:		
Wire Shorts	,,	1,059
Tinned Plates, Plain...	,,	4,169
Bones, Cow	,,	203
Bronze Powder.....	,,	1
Canned Asparagus	,,	184
Canned Fruits.....	,,	21
Glycerine	,,	42
Indigo Paste, Artificial .	,,	8,465
Leadfoil and Tinfoil ...	,,	272
Packings, Unclassed...	,,	6
Paints.....	,,	125
Paper, Writing.....	,,	122
Soap, Bar	,,	31
Soda, Unclassed	,,	150
Tobacco, Leaf.....	,,	2,445
Oil, Lubricating .....Galls.		9,868
Oil, Kerosene, in cases	,,	26,410
Paints, Enamel.....	,,	72
Paints, Unclassed.....	,,	1,224
Turpentine, Mineral...	,,	833
Varnish	,,	510
Motor-cars	Pcs.	7
Motor-cycles.....	Pcs.	1
Canned Vegetables	Doz.	2 044
Cigarettes	Mille	41,550
Dyes, Aniline, Pkgs. 266.....Hk. Tls.		33 259

S. S. President Lincoln, July 20.

To Honolulu.

Silk Piece Goods	Pls	1 58

To San Francisco.

Silk Piece Goods	,,	2 01
Tea, Black, Hankow..	,,	218
Tea, Black, Kiukiang .	,,	34
Tea, Green:		
Gunpowder, Ningpo ..	,,	209
Gunpowder, Kiukiang	,,	71
Hyson, Ningpo.....	,,	81
Antimony, Regulus ...	,,	252
Chinaware, Fine	,,	45
Egg Albumen, Dried ..	,,	68
Egg Albumen, Moist ..	,,	45
Egg Whole, Frozen...	,,	131
Egg Yolk, Moist	,,	508
Feathers	,,	82
Intestines, Pigs', Salted.	,,	30
Paper, Cutting	,,	646
Oil, Wood	,,	4,906
Hats, Straw	Pcs	4,720
Carpets..... Hk.	Tls	1,523

To Baltimore.

Egg Yolk, Dried	Pls.	209
Carpets .....Hk.	Tls.	1,517

To South Manchester.

Silk, Raw, Re-reeled: White, other Ports, Bls. 10.....	Pls	9.97

To New Orleans.

Hats, Rush.....	Pcs.	126,000

To Newton.

Silk, Waste: Shanghai, Bls. 16....	Pls.	52.99
Other Ports, Bls. 30..	,,	100.91

To Los Angeles.

Tea, Black, Shanghai.	Pls.	2
Carpets .....Hk.	Tls.	3,288

To Darby.

Silk, Waste: Shanghai, Bls. 10	Pls.	10.03
Silk Cocoon Strippings: Shanghai Bls. 5	,,	15.58

To New York.

Silk, Raw, Steam Filature: White, Shanghai, Bls. 210	,,	210 12
Silk, Raw, Re-reeled: White, other Ports, Bls. 70	,,	71.23
Silk, Waste: other Ports, Bls. 175.	,,	554 23
Silk Pongees, Honan ..	,,	17.59
Silk Piece Goods.....	,,	1.00
Brassware	,,	15
Egg Albumen, Dried ..	,,	87
Egg Yolk, Dried	,,	342
Hair, Horse	,,	60
Intestines, Pigs,' Salted.	,,	72
Straw Braid.....	,,	24
Skins, Dog	Pcs.	3,400
Skins, Goat, Untanned.	,,	16,544
Skins, Marmot	,,	15,840
Skins, Moufflon.	,,	3,000
Skins, Lamb	,,	1,000
Skins, Squirrel	,,	3,664

S. S. President Taft, from U. S. A., July 19.

Cotton Blankets	Pls	2
Iron Bars	Pls.	5,021
Iron Nuts.....	,,	92
Iron Pipes and Fittings .	,,	82
Steel, Bamboo	,,	1,551
Asbestos, Packing.....	,,	4
Bleaching Powder.....	,,	188
Butter.....	,,	12
Canned Asparagus.....	,,	123
Carbon, Black	Pls	218
Cheese	,,	18
Fruits, Driwd.....	,,	18
Glue, Cow.....	,,	27
Ink, Printing.....	,,	66
Lard.....	,,	18
Leather, Kid	,,	2
Leather, Sole	,,	85
Milk, Condensed	,,	90
Milk, Evaporated	,,	140
Oatmeal	,,	21
Oranges, Fresh	,,	490
Paints, Unclassed	,,	8
Raisins	,,	504
Canned Fish	Doz.	92
Canned Meats	,,	202
Hats.....	,,	180
Hosiery.....	,,	232
Jams.....	,,	239
Catsup	,,	40
Underwear	,,	163
Lemons, Fresh.....	Pcs.	51,000
Typewriters	,,	24
Cigarettes	Mille	27,000
Chocolate	Lb.	4,826
Shoes	Pairs	236
Treasure, Silver Bars	Hk.Tls.	457,831

From Honolulu.

Canned Fruits.....	Pls.	77

S. S. Stuart Dollar, July 23.

To San Francisco.

Iron, Pig	Pls.	4,586
Oil, Wood	,,	826

To Los Angeles.

Carpets.....Hk.	Tls.	1,200

To San Pedro.

Tea, Black, Hankow..	Pls.	193
Tea, Black, Kiukiang..	P.s.	349
Tea, Green: Gunpowder, Ningpo..	,,	39
Beans	,,	665
Egg Albumen, Dried ..	,,	287
Egg Yolk, Dried	,,	426

To New York.

Camphor	,,	200
Egg Albumen, Dried ..	,,	1,692
Egg Yolk Dried	,,	1,322
Hides, Buffalo	,,	182
Oil, Dross	,,	111
Oil, Wood	,,	1,686
Wool, Sheep's	,,	699
Hats, Rush	Pcs.	246,600

S. S. President Madison, July 23.

To Buffalo.

Intestines, Pigs,' Salted.	Pls.	128

To Kansas.

Silk Pongees, Shantung	,,	1.12

To Newton.

Silk, Waste: Shanghai, Bls 31 ...	Pls	100.96

To Scranton.

Silk, Raw, Steam Filature: White, Shanghai, Bls. 10	Pls	10 06

To Tacoma.

Cotton, Waste.....	,,	201

To Seattle

Tea, Black, Kiukiang .	,,	87
Cotton Waste.....	,,	200
Egg Yolk, Moist	,,	43
Egg, Whole, Frozen...	,,	473
Oil, Wood	Pls.	840
Carpets..... Hk.	Tls.	1,206

To Philadelphia.

Intestines, Pigs', Salted	,,	21
Carpets..... Hk.	Tls.	278

To Baltimore.

Carpets.....Hk.	Tls.	235

To Chicago.

Silk, Raw, Filature: White, other Ports, 105.....	Bls. Pls.	75.92
Tea, Green : Gunpowder, Ningpo..	Pls.	191
Carpets..... Hk.	Tls.	774

To New York.

Silk, Raw, Re-reeled: Wild, other Ports, Bls. 42	Pls.	106.12
Silk, Raw, Steam Filature: White, Shanghai, Bls. 260	Pls.	259 46
Silk, Raw, Filature: White, other Ports, Bls. 320.....	Pls.	323 35
Silk Piece Goods	,,	0.94
Egg Albumen, Dried ..	Pls	122
Feathers	,,	102
Intestines, Pigs', Salted.	,,	176
Intestines, Sheep's Salted	Pls.	12
Rhubarb	,,	35
Straw Braid, White ...	,,	28
Skin Mats, Dog.....	Pcs.	11,360
Skins, Fox	Pcs.	812
Skins, Goat, Tanned...	Pcs.	2,450
Skins, Moufflon	,,	2,000
Skins, Lamb.....	,,	290
Skins, Marmot	,,	10,056
Carpets .....Hk.	Tls.	12,364

S. S. West O'Rowa, July 23

To Portland.

Tea, Black, Kiukiang..	Pls	188
Tea, Green: Gunpowder, Ningpo..	,,	219
Young Hyson, other Ports	,,	14

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25-614

In The United States Court for China

(Established by Act of Congress of June 30, 1906.)

JUDGE, Charles S. Lobingier.
U.S. ATTORNEY, Leonard G. Husar.
U. S. COMMISSIONER, Nelson E. Lurton.
CLERK, William A. Chapman.
OFFICE HOURS 10-12; 2-4.
U. S. MARSHAL, DISBURSING OFFICER, } Thurston R. Porter.
PRISON PHYSICIAN, DR. T. B. Dunn.
DEPUTY MARSHAL, Wm. Van Buskirk.

TIENTSIN:
SPECIAL DEPUTY MARSHAL, Harry V. Fuller

All Notices, Announcements, Judgments, Orders and other Proceedings appearing in this department of THE WEEKLY REVIEW may be accepted as authentic.

MOTION DAY.

All contested motions and demurrers will hereafter be heard on Mondays, beginning at 3 P. M.; provided notice thereof with proof of service on the adverse party or his attorney shall have been filed in the clerk's office by 12 Noon of the preceding Saturday.

ADMISSION TO THE BAR.

Hereafter, applicants for admission to the bar of this court, whether previously admitted elsewhere or not, will be examined on the following:

1. Extraterritoriality, 25 Corpus Juris, 299—331.
2. Extraterritorial Cases.
3. Extraterritorial Remedial Code.
4. U. S. Rev. Stats., secs. 4083—4131 (Act of Congress of June 22, 1860, 12 U. S. Stats. at Large, Ch. 179.)
5. China Court Regulations.
6. Act of Congress of June 30, 1906 (34 U. S. Stats. at Large, Ch. 3934).

BAR EXAMINING COMMITTEE: Nelson E Lurton. W. W. Blume. Roland S. Haskell.

Shanghai, China, January 2, 1923.

Minutes of Recent Proceedings

Hearings:

(Before the Commissioner)

August 8, 1923, Civil No 126, Atkinson & Dallas, Ltd. v. C. Berthel & Co.; on motion for judgment by default; testimony taken of A. Dallas; submitted.

" 8, " Cause " 2280, U. S. v. C. V. Stein; on application to increase bail; submitted.

" 11, " Crim. " 473, U. S. v. M. Sternberg; testimony taken of L. Visser; submitted.

" 11, " " " 472, U. S. v. J. S. Ching; testimony taken of Liu Ding Ching; submitted.

" 13, " " " 476, U. S. v. Lee Wing; testimony taken of B. Wittkowsky; submitted.

RUSSO-ASIATIC BANK, PLAINTIFF, v. MAX WULFSOHN & CO., DEFENDANTS.

(Cause No. 2029; decided April 21, 1923.)

SYLLABUS

(By the Court)

1. LIMITATION OF ACTIONS: *Contracts.* An "exchange contract" in the ordinary form is an "instrument" within the meaning of Extraterritorial Remedial Code, sec. 31 (3).
2. ID.: ID.: The "written contract" required by said clause need not fix the place of delivery, nor be phrased in terms intelligible to strangers without explanation.
3. ID.: ID.: The contrary rule applies only where the cause of action arises out of facts collateral to the instrument.

Richard T. Evans, Esq., for the demurrant.
Messrs. Schuhl & Schcenfeld, by Mr. Schuhl, contra.

LOBINGIER, J.:

This action was brought on April 10, 1923, and is based on a series of what are known as "Exchange Contracts" a sample one of which reads as follows:

No Margin Allowed

Harbin, 5th November, 1919.

SOLD to the RUSSO-ASIATIC BANK

Seller	Amount	Unsance	Rate	Delivery
M. Wulfsohn & Co. New York	$50,000.—	T. T.	186 Siberian money	15th March 1920

197

No. 1292 Entered for £ _____ M. Wulfsohn & Co.
(Signed) Manfred Wulfsohn
R. 9,300,000.—
(i. e. Siberian)
Y. 98,500

Defendant demurs to the complaint on the ground that the action was not brought within two years as required for "implied contracts and those not expressed in writing".[1] Plaintiff on the other hand claims the benefit of the six year period provided for "actions based on a written promise, contract or instrument".[2] In support of his contention that the contracts are "not expressed in writing" defendant's counsel urges in his brief:

> "These instruments are not clear in themselves. Not only are there certain technical terms and abbreviations which are not clear without explanation, but necessary terms are omitted. The place of delivery is nowhere mentioned. It does not appear what date was fixed, only one date being given for both."

But the specification of neither place nor date of performance is necessary to the creation of a valid written contract.

> "A written agreement is valid though undated"[3] and "where the time, but no place, of payment is specified," nor "fixed by law, the rule is that the tenderer must seek the tenderee and make a tender to him wherever he can be found."[4]

Of course where an essential feature of a contract is omitted it cannot be regarded as a *contract* in writing tho it might still be an "instrument" within the meaning of the Extraterritorial Remedial Code. The Supreme Court has held, *e. g.* that a memorandum is insufficient under the Statute of Frauds where the name of but one party is mentioned.[5] But each of these instruments specifies not only the names of both parties but the subject matter, the consideration and the undertaking. The fact that some of the terms are technical, and may require explanation to those not engaged in that particular line of business, does not prevent these instruments from

1. Extrater. Remedial Code, sec. 31 (5)
2. Id., (3)
3. Corpus Juris XIII, 308.
4. Id., 666.
5. Grafton v. Cumming, 99 U. S. 100 25 L. ed., 366 Cf. Board v. Shipley, 77 Ind., 553.

Judgments and Orders:

(By the Commissioner)

Aug. 7, 1923, Cause No. 2280, U. S. v. C. V. Stein; order.

" 8, " Civil " 126, Atkinson & Dallas, Ltd. v. C. Berthel & Co.; judgment by default for plaintiff.

" 8, " Cause " 2280, U. S. v. C. V. Stein; order.

" 11, " Crim. " 473, U. S. v. M. Sternberg; defendant found guilty, warned and assessed costs.

" 11, " " " 472, U. S. v. J. S. Ching; defendant found not guilty and discharged.

" 13, " " " 476, U. S. v. Lee Wing; bound over to U. S. Court for China.

Assignments for Hearing:

Sept. 24, 1923, Cause No. 1032, Belgian Trading Co. v Neuss, Hesslein & Co.

Miscellaneous Filings:

Aug. 7, 1923, Cause No. 2280, U. S. v. C. V. Stein; warrant issued; marshal's return of warrant.

" 8, " " " 2224, R. Neumann v. F. Fernandez; marshal's return of writ of execution.

" 9, " " " 2244, In re Hester Smith's will; affidavits (2) of publication.

" 9, " " " 224, In re estate of Frederick S. Pray, deceased; affiadavit of publication.

" 9, " " " 2022, In re estate of Frank P. Long, deceased; affidavit of publication.

" 9, " " " 2140, In re Susie May Forrest's will; affidavit of publication.

" 9, " " " 2288, Boris Holman v. I. Herskovitz & Bro. Inc.; answer.

" 9, " " " 1958, The Auto Castle v. I. Delbourgo; appellant's brief.

satisfying the Statute of Frauds. [6] Indeed this Court has already held such instruments to be sufficient under that Statute [7] and there is authority for the view that an instrument sufficient thereunder, constitutes also a written contract within the Statute of Limitations. [8]

Defendant's main reliance is upon a decision [9] to the effect that an action on an implied warranty of title is not governed by that clause in the Statute of Limitations relating to written contracts, altho the original transaction was evidenced by a bill of sale. But here the obligation to deliver is not implied. Delivery is specified for a fixed date over the signature of defendant and while the language is terse to the point of being cryptic, we may take judicial notice of the fact that it is well understood by these engaged in that particular line of business. These instruments are certainly fuller in phraseology than ordinary checks, but, contrary to the writer's contention when practicing at the Bar, [10] courts have held such instruments to be written contracts within the language of the Statute of Limitations. [11] It has also been held that an account "audited and approved" and "certified to be correct" is sufficient to bring the instrument within such language, tho no undertaking to pay is otherwise expressed. [12] The same effect has been given to a memorandum reading "I acknowledge the above account to be just." [13]

Nor is there even unanimity in the decisions to the effect that if part of the agreement sued upon is implied it is governed by that clause of the Statute of Limitations applying to unwritten contracts. The following instrument is certainly less full than those here sued upon:

Contract

Chicago, June 9,1870

I have this day bought of Robert Moir & Co. one hundred (100) barrels highwines, iron bound, at one dollar and seven cents ($1.07) per proof gallon. . . . . .

(Signed) Wilson Ames.

Yet of this it was observed: [14]

"There may be a contract in writing, although it contains no express promise to pay the consideration. Strictly speaking there is no such express promise in Ames's contract. But when a state of facts is acknowledged to exist which imports an obligation to pay, the law implies the obligation but the contract is not thereby reduced to parol. [15] Such a contract is found in the passbook of a depositor in a bank. The entries in the book are not express promises to pay, but the law implies such promises, and the liability thereunder has been held not to be barried in five years." [16]

So the liability of the indorser of a promissory note, tho implied, has been held to constitute a written contract within this doctrine; [17] also the

6. Salmon ealls Co. v. Goddard, 14 How. (U. S.) 446' 14 L. ed., 493.
7. Ezra v. Glemby, 2 Extrater., cas. 122.
8. Pinous v. Muntzer (Mont.), 87 Pac., 612.
9. Pinous v. Muntzer (Mont.), 87 Pac., 612.
10. Connor v. Becker, 56 Neb., 170, 76 N. W., 893.
11. Connor v. Becker, 56 Neb., 170, 76 N. W. 893; Haynes v. Wesley, 112 Ga., 668, 37 S. E., 990. But cf. Blades v. Bank, 101 Ky., 163; 40 S. W., 246.
12. Sannickson v. Brown, 2 Cal., 57. Cf. Atlantic Trust Co. v. Canal & Irrigation Co., 86 Fed., 975, 983.
13. Neighbors v. Simmons, 2 Blackf. (Ind.), 75.
14. Ames v. Moir, 27 Ill. App., 88.
15. Ashley v. Vischer, 24 Cal., 322, 85 Am. Dec., 65.
16. Jassoy v. Horn, 64 Ill., 739.
17. Hoffman v. Hollingsworth, 10 Ind. App., 353, 37 N. E., 960; Murphy v. Gage, Tex. Civ. App., 21, S. E., 296. *Contra* Chipman v. Morrill, 20 Cal., 130.
18. *Ill.* Plumb v. Campbell, 129 Ill., 101, 18 N. E., 790.
Miss. Fowkes v. Lea, 84 Miss., 590, 36 S. W., 1036, 68 L. R. A., (925); Washington v. Soria, 73 Miss., 665, 19 S. W., 485.
Tex. Sanborn v. Plowman, 20 Tex. Civ. App., 484, 49 S. W., 639.

„ 9, „ „ „ 2053, In re assignment of Cosmos Commercial Corporation; amendment to assignee's report.

„ 13, „ „ „ 2210, L. Samarcq and R. Fermus v. Asia Banking Corporation; motion for new trial.

(*By the Commissioner*)

Aug. 9, 1923, Crim. No. 175, U. S. v. L. C. Solomon; complaint.

„ 13, „ „ „ 476, U. S. v. Lee Wing; complaint.

„ 13, „ Civil „ 126, Atkinson & Dallas, Ltd. v. C. Berthel & Co.; praecipe for execution; writ of execution issued.

implied obligation to repay money whose receipt is evidenced by writing [18] and a corporate resolution for employment without provision for payment.[19]

On some of these points, it will be seen, there is a conflict of authority, but the occasion for the conflict does not affect this case. Here as in the authority cited [20] by defendant "there is an express agreement to pay" and the rule invoked by defendant is further explained there as applicable only

> "where the promise or agreement to pay on which the action is not found in express terms or by fair implication in the writing, but the cause of action arises *out of facts collateral to the instrument.*"

Such is not the case here, for each cause of action arises from facts recited in the instruments.

Counsel urges that on the ground of public policy litigants in China should present their claims promptly because of the difficulty in preserving the evidence, etc. But a stronger consideration, we think, is that of upholding a commercial custom as firmly fixed as that embodied in the exchange contract. To deny it, the character of a written contract would clearly impair its usefulness and tend to demoralize an important branch of business.

We hold these instruments to be sufficient under the longer period of limitation allowed by the Extraterritorial Remedial Code. The demurrer is accordingly overruled and defendant is given 20 days to answer.

Contra

Cal. Thomas v. Pacific Beach Co., 115 Cal., 136, 46 Pac., 898; Patterson v. Doe. 130 Cal., 333, 62 Pac., 569.

Ga. Small v. Jones. 112 Ga., 521, 75 S. E., 605.

19. Texas W. Ry. Co. v. Gentry, 69 Tex., 625, 8 S. W., 98: *Contra* McCarthy v. Land & Water Co., 111 Cal., 328, 43 Pac., 956.

20. Curtis v. Sexton, 201 Mo., 217, 100 S. W., 17.

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Shanghai-Nanking Railway Abridged Time Table.

Shanghai North to Nanking—Up (Main Line) Nanking to Shanghai North—Down

STATIONS	Local	Fast R.	Local	3rd & 4th Local	S.N.L. T.P.L. Express Mail	3rd & 4th	Local	S.N.L. T.P.L. Fast Express	Local	Fast Local	Local	Local	Night Express R. S.
Shanghai North d.		7.00	7.15	7.35	9.30	9.50	12.10	12.30	15.25	17.15	17.45	19.35	23.30
Nansiang ... ... d.		7.28	7.45	8.03	—	10.31	12.41	12.58	16.01	17.47	18.15	20.05	0 02
Soochow ... ... d.		8.59		9.41	11.14	12.53		14.43	18.24	19.39			1.39
Wusih ... ... d.	7.00	9.59		10.44	12.02	14.12		15.38	19.34	20.36			2.38
Changchow ... d.	8.14	10.56		11.41	12.49	15.28		16.38		21.38			3.42
Tanyang ... ... d.	9.30	11.52			13.38	16.28		17.38					—
Chinkiang ... d.	10.31	12.49			14.22	17.34		18.33					5.34
Nanking ... ... a.	12.30	14.21			15.43	19.33		20.02					7.20
Pukow ... ... d.					19.10			21.00					
Hsuchowfu ... d.					—			5.08					
Tsinanfu ... ... d.					—			13.16					
Tientsin Central a.					—			—					
Do. d.					23.52			21.20					
Tientsin East... a.					0.02			—					
Do. d.								22.05					
Peking ... ... a.								1.30					

STATIONS	Local	Fast Local	Local	Local	Fast R.	3rd & 4th Local	3rd & 4th	Fast R.	Local	Local	Express R.	Local	T.P.L. Mail	S.N.L. Night Express T.P.L. Express
Peking ... ... d.													—	15.25
Tientsin East ... a.													—	
Do. d.													14.35	20.27
Tientsin Central a.													—	
Do. d.													—	20.47
Tsinanfu ... ... d.													—	4.50
Hsuchowfu ... d.													—	13.00
Pukow ... ... a.													18.49	20.57
Nanking ... ... d.					7.40		8.10	11.05			15.50	16.15		23.00
Chinkiang ... d.					9.20		10.25	12.54			17.29	18.27		0.52
Tanyang ... ... d.					9.57		11.21	13.36			18.03	19.26		—
Changchow ... d.			7.10		10.59	12 00	12.44	14.32			18.37	20.46		2.41
Wusih ... ... d.		7.20	8.22		11.59	13.02	14.07	15.33			19.43	21.52		3.53
Soochow ... ... d.		8.21	9.39		12.54	14.02	15 25	16.31			20.32			4.58
Nansiang ... ... d.	8.15	10.33	11.34	13.00	14.33	16.03	17.45	18.18	18.40	20.35	—			6.26
Shanghai North a.	8.42	11.00	12.05	13.30	15.00	16.30	18.20	18.45	19.13	21.05	22.00			6.50

Woosung Forts to Shanghai North—Up (Branch Line) Shanghai North to Woosung Forts—Down

Woosung Forts d.	6.45	8.15	9.40	11.05	12.30	13.55	15.20	16.45	18.10	19.35	21.00	22 25	23 50	1.15	*
Kiangwan ... d.	7.10	8.40	10.05	11 31	12.55	14.20	15.46	17.10	18.35	20.00	21.25	22.50	-0 15	1.40	
Tientungan ... d	7.16	8.46	10.11	11.37	13 01	14.26	15.52	17 16	18.41	20.06	21.31	22.56	0.21	1.46	
Shanghai North a.	7.20	8.50	10.15	11 41	13.05	14.30	15 56	17.20	18.45	20 10	21.35	23.00	0.25	1.50	

Shanghai North d.	6.00	7.30	9.00	10.25	11.50	13.15	14.40	16 05	17.30	18.55	20.20	21.45	23.10	0.35	
Tientungan ... d.	6.05	7.35	9.05	10.30	11.55	13.20	14.45	16.10	17.35	19.00	20.25	21.50	23.15	0.40	
Kiangwan ... d.	6 12	7 42	9.12	10.37	12.02	13.27	14.52	16.17	17.42	19.07	20.32	21.57	23 22	0.47	
Woosung Forts a	6.35	8.06	9.35	11.00	12.25	13.50	15.15	16.40	18.05	19.30	20 55	22.20	23.45	1.10	

R. Restaurant Cars. * These additional trains run each Saturday and Sunday S. Sleeping Cars

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Down Shanghai North-Zahkou (Main Line) Zahkou-Shanghai North Up.

STATIONS	Fast Local	Ex-press R.	2nd 3rd & 4th	Local	Fast R.	Fast Local	Local	Night Ex-press R.
Shanghai North.....dep.	..	8.00	9.00	..	13.20	15.35	..	19.15
Jessfield.....dep.	..	8.15	9.16	..	13.36	15.51	..	19.30
Siccawei.....dep.	..	8.21	9.23	..	13.43	15.58	..	19.36
L'hwa Junction.....dep.	..	8.35	9.40	..	14.00	16.15	..	19.50
Shanghai South .....dep.	..	*8.05*	*9.05*	*12.30*	*13.25*	*15.45*	*17 35*	*19.20*
Lunghwa Junction.....arr.	..	*8 21*	*9.23*	*12.48*	*13.43*	*16.03*	*17.53*	*19.38*
Sungkiang .....dep.	..	9.14	10.50	..	14.46	17.10	..	20.29
Kashai .....dep.	..	10.01	11.57	..	15.43	18.08	..	21.16
Kashing.....dep.	7.05	10.31	12.40	..	16.16	18.30	..	21.46
Yehsah .....dep.	7.45	11.02	13.32	..	16.56	---	..	22.17
Changan .....dep.	8.31	11.36	14.23	..	17.40	---	..	22.51
Hangchow .....dep.	9.43	12.30	16.00	..	18.50	---	..	23.45
Zahkou .....arr.	10.05	12.45	16.30	..	19.10	---	..	24.00

STATIONS	Local	Fast Local	Ex-press R.	2nd 3rd & 4th	Fast R.	Local	Fast Local	Night Ex-press R.
Zahkou ..... d.	..	..	7.15	8.40	13.20	..	15.05	18.00
Hangchow ..... d.	..	..	7.40	9.15	13.50	..	15.35	18.25
Changan ..... d.	..	..	8.29	10.45	15.00	..	16.50	19.14
Yehsah ..... d.	..	..	9.00	11.53	15.37	..	17.32	19.45
Kashing ..... d.	..	7.15	9.39	12.50	16.24	..	18.10	20.24
Kashai ..... d.	..	7.39	10.02	13.26	16.52	..	..	20.46
Sungkiang ..... d.	..	8.37	10.52	14.42	17.49	..	..	21.42
Lungkwa Junction.. .....d.	*8.37*	*9.37*	*11.37*	*15.52*	*18.41*	*19.47*	..	*22.37*
Shanghai South .....a.	*8.55*	*9.55*	*11.55*	*16.10*	*19.00*	*20.05*	..	*22.55*
L'hwa Junction .....d.	..	9.39	11.32	15.50	18.40	..	..	22.22
Siccawei ..... d.	..	9.49	11.40	15.59	18.49	..	..	22.30
Jessfield ..... d.	..	9.56	11.46	16.06	18.56	..	..	22.36
Shanghai North.....a.	..	10.10	12.00	16.20	19.10	..	..	22.50

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